

INDUSTRIAL SOLAR

renewables onsite



Interim Report Q2/2020

Prepared by

Industrial Solar Holding Europe AB

www.industrial-solar.se

28.August 2020



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“We are currently way off track to meeting either the 1.5 °C or 2 °C targets that the Paris Agreement calls for. We need to reduce greenhouse gas emissions by 45% from 2010 levels by 2030 and reach net zero emissions by 2050.” (A. Guterres, United Nations Secretary-General)

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Statement by the Board of Directors

The Board of Directors provides their assurance, that the interim report provides a fair and true overview of the company's operation, financial position and results.

Härnösand on 28 August 2020, Board of Directors

Olle Olsson	Chairman of the Board
Christian Zahler	Board member and CEO
Markus Augustsson	Board member
Joao Gomes	Board member
Tobias Schwind	Board member
Daniel Pfeifle	Board member

1 Summary of the Q2 report

2nd Quarter from 01.04.2020 to 30.06.2020 (01.01.2020 - 30.06.2020)

Results in Brief in TSEK	01.04.2020	01.01.2020	01.01.2019
	30.06.2020	30.06.2020	30.06.2019
The company's sales amounted to	476	1.105	438
Increase in finished goods, inventories and work in progress	0	0	0
Other operating income	676	1.120	85
Total Income	1.152	2.225	523
Cost of Material	-386	-570	-432
Personnel costs	-3.090	-4.375	-3.231
Other operating costs	-815	-1.589	-1.582
Other operating expenses	0	-6	-56
Depreciation	-216	-263	-68
Total Costs	-4.507	-6.803	-5.369
Earnings before interest and taxes EBIT	-3.355	-4.578	-4.846
Financial income/expenses	-77	-80	159
Loss after financial items	-3.432	-4.658	-4.687
Number of Shares	12.188.792	12.188.792	7.596.495
Result per share amounted	-0,28	-0,382	-0,617
Cash available end of period	26.123	26.123	9.555

Results in Brief

Results in Brief in TSEK	01.04.2020	01.01.2020	01.01.2019
	30.06.2020	30.06.2020	30.06.2019
Operating Income	1.152	2.225	523
Operating Costs	- 4.507	- 6.803	- 5.369
Operating Result	- 3.355	- 4.658	- 4.687
Result of the Period	- 3.433	- 4.658	- 4.687

2 Note from the CEO

The second quarter of 2020 was ruled by the Covid-19 crisis. In Germany, schools and kindergartens already closed in mid-March. One week later, the lockdown came into effect. Our international project business came to a sudden halt.

Luckily, we had updated our IT infrastructure in the months before, so we were able to continue operations from our homes. We used the aid package by the German government and applied for short-time work to reduce our personnel cost throughout the entire second quarter.

As a direct outcome from this situation, we decided to develop our home market in Germany and its neighbouring countries with a broader portfolio of technologies and services.

On May 13, the kick-off meeting of the FRIENDSHIP project took place, which aims to demonstrate that solar heat can also be a reliable, user-friendly, high-quality and cost-effective resource to meet heat requirements for other industrial sectors such as Textile, Plastics, Wood, Metal and Chemistry. This Horizon 2020 project will be a great support for our R&D activities over the next four years.

We experience a very positive development of public support for our R&D activities, which is also a strong sign for the upcoming market growth. Also, the linkage of Corona economic recovery schemes to climate and environmental requirements, such as the 10 billion € EU Innovation Fund, demonstrate the importance governments and commissions are giving to green recovery and large-scale investments in climate neutrality - which will contribute to our growth.

Like everybody else we hope that the world will recover soon from this Covid-19 crisis. We are ready to participate in the post-pandemic recovery and are well positioned with Industrial Solar GmbH and SolarSpring GmbH, providing solutions for a sustainable industry and a circular economy. Yet, at the same time we have all witnessed in the last months unimaginable changes in our private and professional lives. This is also a very motivating experience as it proves that we, as a society, are capable of change.



Christian Zahler
CEO Industrial Solar Holding Europe AB

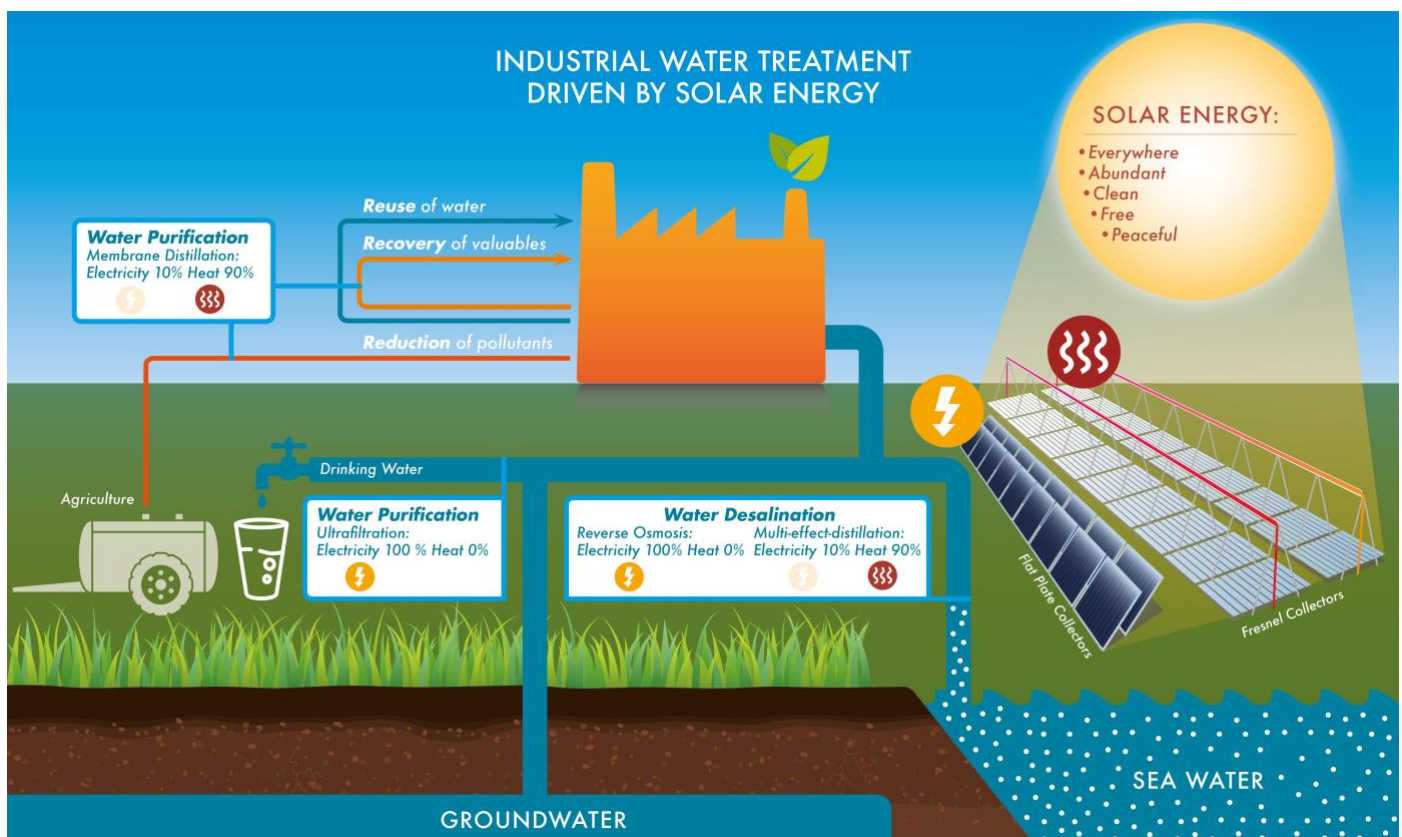


3 The Water Energy Nexus in Industry

It is widely acknowledged that water scarcity will continue to increase and that the water and energy sector are inevitably interlinked. Yet, while this trend is mainly considered from a utility perspective, i.e. generation of electricity and water, the industrial sector will also witness major changes in the way water is treated . Three major drivers can be identified:

- **Recovery of valuable resources** (minimize procurement costs)
e.g. the collection of lithium from water streams, as already done by SolarSpring.
- **Reduction of pollutants** (legal compliance, e.g. EU – REACH)
e.g. the reduction of acids from waste water streams, as already applied by SolarSpring in metal processing.
- **Re-use of water** (minimize cost and water foot print)

For example the the re-use of water in textile dying processes.



With the increasing demand for industrial water treatment, the importance of an efficient and renewable energy demand increases as well – and creates promising opportunities for us thanks to the strong synergies between Industrial Solar and SolarSpring:

- SolarSpring provides membrane solutions which have repeatedly been identified as and already applied for energy efficient water treatment – driven mainly by thermal energy.
- Industrial Solar has the expertise and track record for renewable and efficient thermal energy supply – as required by membrane processes.

In addition to the technical synergies, there are also commercial ones. The target sectors of Industrial Solar's process heating solutions, such as food, textile, chemical, pulp & paper or metal processing, are also the ones with the largest demand for industrial water treatment – and thus, designated customers of SolarSpring.

4 Main Activities and News in Q2

Industrial Solar and Kyotherm jointly offer Solar Process Heat solutions without capital investments for end users



Besides optimal technology for solar process heating solutions, our clients also require suitable financing packages. To meet the later, Industrial Solar has signed a Memorandum of Understanding with Kyotherm to jointly offer industrial companies solar process heat as a service - without capital investment requirements for the end users.

Kyotherm is an investment company that specializes in the third-party financing of renewable heat production projects and energy efficiency projects. Kyotherm partners with the sector's project developers (engineering companies, EPC contractors etc.) and finances their projects with an optimized capital cost. Thus, Kyotherm is the ideal financing partner for Industrial Solar as they have a key focus on thermal projects, international experience and committed investors.

The companies already started to develop joint projects and expect a strong growth in the coming years.

Annual share holder meeting/Proposal from Election Committee

The annual general meeting took place on June 15th. For details, please see the press release (<https://spotlightstockmarket.com/sv/market-overview/nyheter//nyhets-artikel?id=60062>). The Election Committee appointed two new board members and Absolicon Solar Collector AB's former chairman Olle Olsson was chosen to take over the chairmanship of Industrial Solar Holding Europe AB.

Olle Olsson has been working in the field of solar energy since 2006 in numerous companies. First at Absolicon AB as an engineer and researcher and later in a strategic role as chairman of the Absolicon board. Olle has also worked at Solarus Sunpower Sweden AB for 3 years and is an active in the board of the solar process equipment manufacturer Saravanos Solar++ AB. He is the owner of the consultant firm Mxsol AB and has been a board member of Industrial Solar since 2018.

Joakim Byström, the former chairman, will focus on his operative work at Absolicon where he is CEO but remains open for collaboration.

The two new board members the Election Committee assigned are Daniel Pfeifle from Germany and Markus Augustsson from Sweden.

Daniel Pfeifle studied from 2005 to 2009 at the University of Applied Sciences in Nordhausen / Germany and is a graduate engineer in the field of renewable energy systems. From 2009 to 2012, he worked at Fraunhofer ISE in the field of solar seawater treatment before joining SolarSpring as a project engineer, being responsible for the area of membrane distillation and strategic alignment. In 2016, he took over the management of SolarSpring.

Markus Augustsson holds a Master's degree in Finance from Lund University and studied mathematics, philosophy and programming at Linköping University. Markus has worked in the financial sector since 2008. At Nordea Markets, he worked with equities and derivatives trading. Today, Markus is Head of Equity Research (Head of Analysis) at Carlsquare, a financial advisor with offices in Stockholm, Berlin, Hamburg, Munich, London and Copenhagen.

Industrial Solar GmbH joins Austria Solar



On June 25th, 2020, the board of Austria Solar decided to admit Industrial Solar GmbH in their association. Austria Solar brings together most well-known suppliers of solar heating systems. The association was founded 1999 in Vienna and represents the interests of over 100 companies, from manufacturers and suppliers to dealers and installers. All renowned Austrian R&D facilities for solar heating are also represented in the association. With the Austria Solar Quality Label, the association promotes quality assurance on the market, provides information on current developments through proactive public relations work and is a competent partner for authorities and administration when it comes to general conditions. Austria Solar is a member of several associations and platforms like Solar Heat Europe and "Dachverband Energie-Klima" in the chamber of commerce and has partly co-founded them.

Successful operation for 5 years of commercial direct steam generation plant

In Q2 2015, we commissioned a direct steam generation plant at RAM Pharma in Jordan. Not only was it our first commercial direct steam generation plant but also the first one for commercial application in industry worldwide. The plant has been in operation for 5 years and contributes daily to significant saving of energy costs and CO₂ emissions. Yet, the plant is not only an asset for the client. Due to the long operation time, we continue to gain valuable information on the performance of the technology and identify optimization opportunities. We entered in an operation & maintenance contract with the client to provide support services where necessary. The plant proves both technical feasibility and that the solution matches the requirements of industry well – even in emerging markets.



Due to innovativeness, the plant won multiple awards:



http://bit.ly/2015RAM_EN

Due to Corona, the first online commissioning of SolarSpring's MDlab plant in Barcelona was performed



The Technology Center Catalunya has been working with a membrane distillation plant from SolarSpring since June. With this plant, research can be conducted at the highest level of MD applications.

The commissioning was very successfully carried out via zoom. Exciting results from the researchers in Barcelona can be expected.

Installation of drinking water systems at Lake Victoria

The drinking water systems which were installed by SolarSpring on behalf of We!Hub at Lake Victoria can now also be seen in a fantastic video:

<https://www.youtube.com/watch?v=w4UICNIR1i4&t=9s>



© We!Hub Victoria Ltd

Two further solar-powered drinking water systems were delivered to Colombia

Our sales partner Col Energy has been supplied with two more drinking water plants. These were also installed in remote police stations in the jungle to supply the emergency services with clean water. Thus, SolarSpring can contribute a small part to the ongoing peace process in Colombia.



The most beautiful drinking water installation

Thanks to one of our distribution partners in Congo Africa Solair, a drinking water tap was installed in Brazzaville:



Sales

The pandemic with its almost entire ban of international air traffic turned sales activities upside down. As several of our target markets underwent strict lockdowns, also the project development activities with and by our designated clients almost stopped. We used the time to strengthen our diversification and to expand the portfolio beyond our Fresnel collector to other renewable / energy efficiency energy solutions. From our salespipeline we know the requirements and constraints well and could already discuss concrete project opportunities with potential partners.

Synergies between Industrial Solar and SolarSpring

As the acquisition of SolarSpring is officially completed, we have started to identify and make use of synergies – also in sales activities. Industrial Solar already has good access to numerous companies from target sectors of SolarSpring (e.g. metal or food processing), while SolarSpring started to propose Industrial Solar solutions as a heat source to their clients. We have screened our salespipeline, identified opportunities and streamlined our activities. In addition, we are already working on the first joint project proposal for a multi-party EU funded research project.

Proposal writing

Industrial Solar and SolarSpring provide industry with innovative solutions to lower their environmental footprint. While our solutions are commercially proven, they are still in an early market phase. Thus, to optimize our solutions and to accelerate the commercial uptake, we participate in internationally funded R&D projects which enhance the *Technology Readiness Level* until full market acceptance.

5 Outlook, Risk and Uncertainties

Projects

For Industrial Solar the two Horizon 2020 projects Ship2Fair and Friendship with a total funding volume of about 2 m€ will be a strong support in the next three years.

Several proposals for R&D projects on national level with a total funding volume of nearly 1 m€ that have been submitted in 2019 have been evaluated positively and are likely to be granted this year.

Due to the increasing pressure on water intensive industries to find new technical solutions suitable for improving the environmental sustainability and cost efficiency of their processes, the outlook for wastewater treatment systems remains positive. Short term delays in decision making must be expected but might be compensated by a V-shaped dynamic once governmental support programmes are activated.

Risk and Uncertainties

The market for solar process heat systems is at an early stage but is gaining momentum as the pressure for companies to reduce their carbon footprint is getting continuously stronger.

Due to the Covid-19 crisis, many potential customers are postponing investment decisions. Also, the strong decline of the oil price has a negative impact. On the other hand, many governments are preparing economic programmes to overcome the effects of the Corona crisis, most of them with a focus on carbon reduction. Thus, the business is difficult to predict.

SolarSpring has observed a strong increase in contracted pretesting within the last 12 months which proves the growing demand of various industries to find new water treatment solutions for industrial effluents. No difference was observed in the lower volume customer contracting due to the Covid-19 crisis, but larger investment decisions are being held back by most companies until the outcome of the crisis becomes more predictable.



“Small acts,
when
multiplied by
millions of
people, can
transform the
world.”

SustainablyLazy.Com

Howard Zinn

6 Q2 Financial Review (Income/Balance/Cash-Flow)

Comments to the Financials:

The financial results are according to the companies plan. ISHE is a development company and thus has cost for technology- and market- as well as project development. This development is financed by the proceeds from the initial public offering and the rights issue in January 2020 at Spotlight.

The numbers are consolidated from Industrial Solar GmbH and SolarSpring GmbH, both located in Freiburg / Germany and each a 100% subsidiary and from Industrial Solar Holding Europe AB/Sweden. The numbers have been reviewed by the companies auditor KPMG Sundsvall, Sweden.

Consolidated Income Statement

Amounts in TSEK	01.04.2020 Not	01.04.2019 30.06.2019	01.01.2020 30.06.2020	01.01.2019 30.06.2019	01.01.2019 31.12.2019
Operating income					
Sales	476	53	1.105	438	827
Increase in finished good and inventories and work in progress	0	0		0	0
Other operating income	676	41	1.120	85	2.015
Total	1.152	94	2.225	523	2.842
Cost of materials	-386	-60	-570	-432	-715
Personnel costs	-3.090	-1.661	-4.375	-3.231	-7.283
Other external expenses	-815	-928	-1.589	-1.582	-3.560
Other operating expenses	0	-56	-6	-56	-57
Depreciation	-216	-37	-263	-68	-200
Total	-4.507	-2.742	-6.803	-5.369	-11.815
Earnings Before Interest and Taxes (EBIT)	-3.355	-2.648	-4.578	-4.846	-8.973
Financial income	0	168	0	168	415
Financial expenses	-77	-9	-80	-9	-371
	-77	159	-80	159	44
Financial expenses					
Loss after financial items	-3.432	-2.489	-4.658	-4.687	-8.929
Taxes	-1	0	0	0	0
Loss for the year	-3.433	-2.489	-4.658	-4.687	-8.929

Consolidated Balance Sheet

Amounts i TSEK	30.06.2020	30.06.2019	31.12.2019	Amounts i TSEK	30.06.2020	30.06.2019	31.12.2019
Assets				Equity			
Non-current assets				Share capital	1.199	748	748
Intangible assets				Unregistered share capital	0	0	0
Intangible fixed assets	272	2	2	Total	1.199	748	748
Total	272	2	2				
Machinery and equipment				Accumulated profit or loss	-11.158	-2.196	-2.278
Goodwill	1.498	0	0	Share premium account	43.321	14.670	14.596
Machinery	1.206	215	181	Shareholder's contribution recieved	0	0	0
Equipment	1.176	197	190	Translation losses on consolidation	-117	0	0
Total	3.880	412	371	Loss for the period	-4.659	-4.687	-8.929
Financial assets				Total	27.387	7.787	3.389
Shares in group companies	0	0	0	Total equity	28.586	8.535	4.137
Due from Group companies	0	0	0	Non-current liabilities			
Total	0	0	0	Loans from Group companies	0	0	0
Total non-current assets	4.152	414	373	Total	0	0	0
Current assets				Current liabilities			
Inventories	0	0	0	Liabilities to credit institutions	534	0	0
Finished good and merchandise	508	16	16	Accounts payables	766	88	103
Total	508	16	16	Payments received	927	0	743
Current receivables				Other short term liabilities	2.576	2.874	3.352
Accounts receivable	615	71	127	Accrued expenses and deferred income	4.253	336	3.665
Accrued non-invoiced revenue	1.450	1.247	1.260	Total	9.056	3.298	7.863
Other short-term receivables	800	470	760	TOTAL EQUITY AND LIABILITIES	37.642	11.833	12.000
Prepaid expenses and accrued income	3.994	60	348				
Total	6.859	1.848	2.495				
Cash and cash equivalents							
Cash and cash equivalents	26.123	9.555	9.116				
Total	26.123	9.555	9.116				
Total current assets	33.490	11.419	11.627				
Total assets	37.642	11.833	12.000				

Consolidated Cash-Flow-Statement

Amounts in TSEK	01.01.2020	01.01.2019	01.01.2019
	30.06.2020	30.06.2019	31.12.2019
Operating activities			
Profit/loss after financial items	-4.658	-4.687	-8.929
Adjustments for items not included in cash flow	-44	-14	-38
	0		0
Cash flow from operating activities before change in working capital	-4.702	-4.701	-8.967
Cash flow from change in working capital			
Change in inventories	-215	0	0
Change in operating receivables	460	97	-550
Change in operating liabilities	1.194	743	4.348
Cash flow from continuing operations before changes in working capital	1.439	840	3.798
Cash flow from operating activities	-3.263	-3.861	-5.169
Investing activities			
Investments in intangible assets	0	0	0
Investments in tangible fixed assets	-82	-140	-231
Divestments of intangible assets	0	0	0
Acquisition of financial assets	-2.721	0	0
Disposal of intangible assets	0	0	0
Cash flow from investing activities	-2.803	-140	-231
Financing activities			
Deposit share capital	0	0	0
New share issue	0	0	0
New share issue in progress	24.681	0	0
Issue expenses	-1.608	-64	-138
Shareholder's contribution	0	-1.034	0
Cash flow from financing activities	23.073	-1.098	-138
Cash flow for the year	17.007	-5.099	-5.538
Cash and cash equivalents begin of period	9.116	14.654	14.654
Cash and equivalents end of period	26.123	9.555	9.116

Parent Company Income Statement

Amounts i TSEK	01.04.2020 30.06.2020	01.04.2019 30.06.2019	01.01.2020 30.06.2020	01.01.2019 30.06.2019	01.01.2019 31.12.2019
Operating Income					
Sales	0	0	0	0	0
Other operating income	0	0	0	0	22
Total	0	0		0	22
Operating Expenses					
Personnel costs	-49	-1	-79	-1	-277
Other external expenses	-296	-159	-631	-306	-690
Other operating expenses	0	-56	-6	-56	-57
Depreciation	0	0		0	0
Total	-345	-216	-716	-363	-1.024
Earnings Before Interest and Taxes (EBIT)	-345	-216	-716	-363	-1.002
Profit from financial items					
Profit/loss from other securites and receivables accounted for as non-current assets					104
Financial income	0	206	0	232	439
Financial expenses	-59	-9	-63	-9	-370
	-59	197	-63	223	173
Loss after financial items	-404	-19	-779	-140	-933
Allocations					
Profit before tax	-404	-19	-779	-140	-933
Tax on profit for the year	0	0	0	0	0
This year's result	-404	-19	-779	-140	-933

Parent Company Balance Sheet

Amounts i TSEK	30.06.2020	30.06.2019	31.12.2019	Amounts i TSEK	30.06.2020	30.06.2019	31.12.2019
Assets				EQUITY AND LIABILITIES			
Fixed Assets				Equity			
<i>Financial assets</i>				<i>Non-distributable equity</i>			
Shares in Group companies	20.379	259	15.452	Share capital	1.199	748	748
Due from Group companies	0	15.256	0	Unregistered share capital	0	0	0
Total fixed assets	20.379	15.515	15.452	Total	1.199	748	748
Current assets				<i>Distributable equity</i>			
Other short-term receivables	171	196	234	Accumulated profit or loss	-1.273	-444	-444
Receivables from group companies	524	0		Share premium account	43.322	14.669	14.596
Prepaid expenses and accrued income	4.056	124	446	Shareholders contribution recieved	0	0	0
Total	4.751	320	680	Loss for the period	-779	-140	-829
<i>Cash and cash equivalents</i>				Total	41.270	14.085	13.323
Cash and cash equivalents	20.072	2.053	1.385	Total equity	42.469	14.833	14.071
Total	20.072	2.053	1.385				
Total current assets	24.823	2.373	2.065	Current liabilities			
Total assets	45.202	17.888	17.517	Accounts payable	336	132	136
				Other short term liabilities	1.943	2.874	2.852
				Accrued expenses and deferred income	454	49	458
				Total	2.733	3.055	3.446
				TOTAL EQUITY AND LIABILITIES	45.202	17.888	17.517

Parent Company Cash-Flow Statement

Amounts in TSEK	01.01.2020	01.01.2019	01.01.2019
Consolidated Cash Flow Statement	30.06.2020	30.06.2019	31.12.2019
Operating activities			
Profit/loss after financial items	-779	-140	-829
Adjustments for items not included in cash flow	0	0	311
Income tax paid	0	0	0
Cash flow from operating activities before change in working capital	-779	-140	-518
Cash flow from change in working capital			
Change in inventories	0	0	0
Change in operating receivables	-211	-222	-584
Change in operating liabilities	-675	882	1.275
Cash flow from continuing operations before changes in working capital	-886	660	691
Cash flow from operating activities	-1.665	520	173
Investing activities			
Investments in intangible assets	0	0	0
Investments in tangible fixed assets	0	0	0
Divestments of intangible assets	0	0	0
Acquisition of financial assets	-2.721	-9.600	-9.847
Disposal of intangible assets	0	0	0
Cash flow from investing activities	-2.721	-9.600	-9.847
Financing activities			
Deposit share capital	0	0	0
New share issue	24.681	445	445
New share issue in progress	0	0	0
Issue expenses	-1.608	-64	-138
Shareholder's contribution repayed	0	-1.034	-1.034
Cash flow from financing activities	23.073	-653	-727
Cash flow for the year	18.687	-9.733	-10.401
Cash and cash equivalents at the beging of the period	1.385	11.786	11.786
Cash and equivalents at end of the period	20.072	2.053	1.385

7 News after the Reporting Period



Industrial Solar Holding Europe AB accomplishes share issue for acquisition of SolarSpring GmbH

On July 1, the board of Industrial Solar Holding Europe AB announced that the share issue for the acquisition of the German SolarSpring GmbH has been accomplished. In January of this year, Industrial Solar Holding Europe AB (ISHE) announced that the Board of Directors had resolved to launch a rights issue of SEK 24.7M with preferential rights for existing shareholders. Background of this right issue was the intend to acquire the company SolarSpring GmbH, an equipment manufacturer of innovative membrane-based water treatment systems. The rights issue was oversubscribed by 14.5 percent and thus, the acquisition of SolarSpring was initiated.

Life Cycle Analysis by Swiss Paul Scherrer Institute proves Industrial Solar's LF-11 Fresnel Collector as environmentally friendly heat source for Climeworks direct air capture technology

Within the frame of the Swiss case study of Horizon 2020 ACT project ELEGANCY – Enabling a low-carbon economy via hydrogen and CCS (<https://www.sintef.no/elegancy>), researchers at the Paul Scherrer Institute (PSI) conducted a Life Cycle Analysis of Industrial Solar's LF-11 Fresnel Collector. The impressive results prove the unique collector design of Industrial Solar to be an outstanding environmentally friendly heat generation technology that can support the scale up of solutions like Climeworks' direct air capture.

AuSeSol - Industrial Solar, CSP Services and the German Aerospace Center (DLR) join efforts in Artificial Intelligence project AuSeSol

The AuSeSol project aims to integrate Artificial Intelligence in Solar Thermal Heating and Power Generation and introduce autonomous monitoring and operation. While solar technologies are already proven and applied, integrating artificial intelligence in the system's operation and monitoring offers substantial potential for autonomy and efficiency optimization. The project partners cooperate in a five-month project financed by the German Federal Ministry for Environment, Nature Conservation and Nuclear Safety to construct a technical proposal that provides the blueprint to the development stage in AuSeSol 2.

MoU - Solar UV (US)

Industrial Solar GmbH and Solar UV Solutions from Indianapolis/United States have signed a cooperation agreement to complement each other's solar thermal systems and jointly develop the market for solar process heat systems in the United States and global target markets. Solar UV Solutions is an Indiana-based, United States, company with a focus on high-quality commercial and industrial heat production. Their patented SunQuest 250 solar thermal collectors utilize evacuated tube technology to convert ultraviolet (UV) rays into a renewable source of usable energy.

8 Statement from the Board and Management

The Board of Directors and the Executive Board have today considered and approved the Quarterly Report of Industrial Solar Holding Europe AB for the period from 01.04.2020 - 30.06.2020. The quarterly report is presented in accordance with the Swedish K3 accounting standards. In our opinion, the financial statements give a true and fair view of the entity's financial position and of the results of its operations and cash flows at 30.06.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

The next reporting dates in 2020 are:

- 3 Quarterly report 2020 – 27.11.2020
- 4 Quarterly report 2020 – 26.02.2021

Härnösand, 28.August 2020



Olle Olssen
Chairman
Of the Board



Christian Zahler
CEO and
Board Member



Tobias Schwind
CFO
Board Member



Joao Gomes
Board Member



Daniel Pfeifle
Board Member



Markus Augustsson
Board Member

9 Contact

Industrial Solar Holding Europe AB
c/o Ekonomiavdelningen i Härnösand KB
Strandgatan 1 SE-87145 Härnösand
T +46 611 81 06 10
Org.nr: 559110-3972, BG: 173-7691
E-mail: ir@industrial-solar.se
www.industrial-solar.se

10 Statement from the Auditor



Translation from the Swedish original

Review report

To the Board of Directors of Industrial Solar Holding Europe AB (publ.)
Corp. id. 559110-3972

Introduction

We have reviewed the attached financial information report (interim report) of Industrial Solar Holding Europe AB (publ.) as of 30 June 2020 and the six-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this financial information report (interim report) in accordance with the Annual Accounts Act. Our responsibility is to express a conclusion on this financial information report (interim report) based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached financial information report (interim report) is not prepared, in all material respects, accordance with the Annual Accounts Act.

Härnösand 28 August 2020

KPMG AB

Lars Skoglund

Authorized Public Accountant

