



HEAT



COLD



WATER



STEAM



POWER



MONITORING

## Annual Report 2021

Prepared by

**Clean Industry Solutions Holding Europe AB (publ)**



Renewable energy is proven technology, the price is dropping, the rest of the world is going that way, that's where our investment should be going as well.

— *Bob Brown* —

AZ QUOTES

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### **Statement by the board of Directors**

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

Stockholm on April 29, 2022, Board of Directors

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

## 1 The Year in Brief

Apart from the omnipresent pandemic, there were several important events for the holding in 2021.

The first quarter of 2021 was a very active one, mostly dominated by the decision to investigate a potential listing on Nasdaq First North Growth Market. The reason for this step was that both subsidiaries of CISH, Industrial Solar and SolarSpring, are located in Germany and operate internationally. We wanted to make the acquisition of shares easier for our German and international investors outside of Sweden, and a listing on Nasdaq First North Growth Market was also expected to create better conditions for increased liquidity in the share.

Another exciting happening was the finalization of the company's name change in March 2021. With the acquisition of SolarSpring in 2020, the holding's name no longer matched the business model, and thus, the Board of Industrial Solar Holding Europe AB decided to change the name from Industrial Solar Holding Europe AB to Clean Industry Solutions Holding Europe AB.

In the second quarter 2021, the aspired list change from Spotlight Stock Market to Nasdaq First North Growth Market was approved. On June 28, we were informed that Nasdaq had accepted our application and that the first day of trading would be July 12, 2021. Apart from the successful listing on Nasdaq, further exciting happenings were the appointment of our new CFO, Jochen Lachnit, and the election of our new chairman Finn Johnsson. Both bring longstanding experience and expertise into our board and management.

As we could not travel during the pandemic, we ramped up our sales activities in our home market Germany – with appropriate solutions for the German market in terms of climate and solar irradiation. Our expansion towards photovoltaic systems and hybrid photovoltaic-solar thermal systems strengthens our position in the market, which leads to more solid revenues and is in line with our overall strategy in offering holistic solutions for a sustainable industry. In the second half of 2021, the positive effects of the adaption became noticeable.

The most important event for us in the last quarter of 2021 surely was the directed share issue to Assindia AB for an amount of SEK 10 million. Keith Olsson, the chairman of Assindia AB and already shareholder in CISH, not only values CISH's products but also sees great potential for a business cooperation. Assindia, through its subsidiaries Tectus Development AB and Al Muwathaba PSEC, among others, is active in real estate development in Jordan where Industrial Solar GmbH already installed two solar process heat systems in the pharmaceutical and tobacco industry. The solutions offered by the CISH companies provide independent energy supply and minimization of water consumption for various construction sites in the region and allow the establishment of businesses and housing in areas where energy and water supply infrastructure is lacking.

The dynamic development of the markets addressed by our two subsidiaries along with the increasing traction of our sales and marketing activities and the new cooperation with Al Muwataba in Jordan inspire us to do more and more: more for our customers, more for our shareholders, and more for the environment.

More details on our activities are briefly summarized below.



## **Market and Sales**

Still facing the challenges posed by the pandemic, Industrial Solar further diversified its activities in 2021 strengthening its position on the local market and extending its engineering services to develop comprehensive energy concept studies. The sales activities during the period focused on leveraging the presence in Germany and on acquiring engineering orders, while still developing the portfolio of turnkey projects. These fields started to bring fruitful returns with the first orders closed for photovoltaic projects in southern Germany and the first engineering studies performed for large corporations both in Europe and internationally. The continuous market push towards decarbonization presented new opportunities for hybrid solutions, particularly for multinationals who want to increase the renewable share in their energy mix. The company offered a total of 90 solutions to prospective clients in 2021, which represents a turnover potential of € 193m.

SolarSpring could build upon the positive dynamics of their acquisition one year prior by entering new markets and further developing existing ones. Besides Germany, drinking water systems were sold in Congo and Burkina Faso as well as Nicaragua by international sales partners. The positive acceptance of membrane distillation as a technology for challenging wastewater applications was confirmed by the industry through a high demand for pretesting. A multitude of verified use cases brought about an intensified communication between the European industrial wastewater market and SolarSpring as a go-to for sustainable wastewater treatment. The next step will be the installation of full-scale systems following the generated leads.

## **Business Development and Partnerships**

In 2021, Industrial Solar adapted its international strategy by expanding its cooperation network with sales representatives in target markets, and further scouting and selection of service providers and technology suppliers for its turnkey solutions. The company online presence was further enhanced on selected social media platforms and through a redesign of the company's website, which are driving new leads from industries and customers looking for renewable heat and power solutions.

## **Technology**

At Industrial Solar we used the time during the pandemic to broaden and foster our know-how and expertise in other solar and complementary technologies like heat pumps. We realized first projects with photovoltaics, designed and simulated hybrid systems and strengthened our network with project developers, suppliers and subcontractors.

In 2021, SolarSpring focused on reducing production costs of their membrane distillation systems by further developing their new manufacturing method. The production could successfully be initiated at a prototype scale showing both the functionality and the feasibility of the concept. The next steps will entail the upscaling of the production line and the establishment of a robust serial manufacturing unit.

Within the drinking water sector and as a natural evolution of the product portfolio, a system with a larger capacity of 3000-6000 l/h was developed and brought to market.

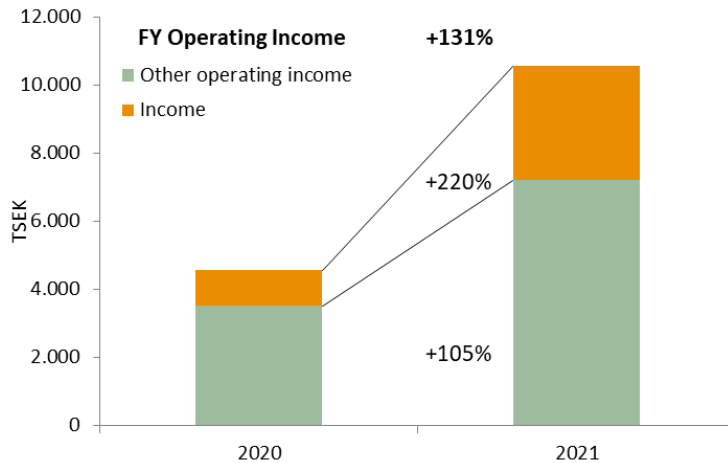
## R&D

In 2021, Industrial Solar GmbH was granted two further R&D projects on national level: in April we received the grant agreement for the R&D project Modulus. The project, funded by the German Federal Ministry of Economic Affairs and Energy (BMWi), aims to simplify the integration of solar heat into industrial processes. In June Industrial Solar was awarded a grant by the Ministry of Economic Affairs, Labor and Tourism of the state of Baden-Württemberg to optimize the performance and reliability of its concentrating solar technology. The total funding volume of both projects amounts to approx. € 295,000.

For SolarSpring, two new R&D projects funded by the German government and the European Fund for Regional Development were granted in 2021. Within SERPIC, SolarSpring and the consortium partners will develop an integral technology, based on a multi-barrier approach, to treat the effluents of wastewater treatment plants and maximize the reduction of contaminants of emerging concern (CECs). The project ROKKA strongly builds upon the successful results of AmmoniumMD, with an upscaled version of the ammonia removal concept from municipal wastewater using membrane distillation to be designed and built by SolarSpring. The funding volume for both projects amounts to 120,800 € for the next three years.

## 2 Consolidated Key Figures

**FY 2021 from 01.01.2021 to 31.12.2021 (01.01.2020 to 31.12.2020)**



### CISH AB Group

#### RESULTS IN BRIEF | in TSEK

	2021	2020	Diff. in %
Sales	2,180	2,018	+8.0
Increase in finished goods, inventories and wip	1,163	-1,289	-
Other own work capitalized	0	317	-100.0
<b>Income</b>	<b>3,344</b>	<b>1,046</b>	<b>+219.7</b>
Other operating income	7,220	3,527	+104.7
<b>Operating Income</b>	<b>10,564</b>	<b>4,573</b>	<b>+131.0</b>
Cost of Sales	-1,565	-1,516	+3.2
Personnel Costs	-15,547	-11,778	+32.0
Other external expenses *	-6,589	-3,853	+71.0
Other operating expenses	-75	-80	-6.5
Depreciation	-848	-730	+16.2
Operating Costs	-24,624	-17,957	+37.1
Operating result (EBIT)	-14,060	-13,384	-5.1
Elimination of extraordinary Costs **	1,752	0	-
<b>Operating Costs after eliminations</b>	<b>-22,872</b>	<b>-17,957</b>	<b>+27.4</b>
<b>Operating result (EBIT) after eliminations</b>	<b>-12,308</b>	<b>-13,384</b>	<b>+8.0</b>
Financial result	-84	-139	+39.3
Profit (+) / loss (-) after financial items	-14,144	-13,523	-4.6
Taxes	-1	0	-
Profit (+) / loss (-) after taxes	-14,145	-13,523	-4.6
<b>Profit (+) / loss (-) after taxes &amp; eliminations</b>	<b>-12,393</b>	<b>-13,523</b>	<b>+8.4</b>

\* One time expenses for switch to Nasdaq First North

\*\* One time expenses for switch to Nasdaq First North

Number of Shares	15,313,792	7,596,495	+101.6
Result per share amounted (in SEK)	-0.9237	-1.7801	+48.1
Number of Shares after dilution	15,313,792	7,596,495	+101.6
Result per share amounted (in SEK)	-0.9237	-1.7801	+48.1
Average Number of outstanding Shares	13,751,292	9,892,644	+39.0
Result per share amounted (in SEK)	-1.0286	-1.3669	+24.7
Cash available end of period	14,383	20,352	-29.3



## Results in Brief

### CISH AB Group

#### RESULTS IN BRIEF | in TSEK

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\* eliminations = one time expenses for switch to Nasdaq First North

### 3 Statement from the Chairman and CEO



*Finn Johnsson, Chairman of the Board*

Upon completing my first year with Clean Industry Solutions, I have been impressed with how the company has been able to adapt and evolve in such a dynamic market. Despite the global economy recovering from the pandemic, prevailing conflict and natural disasters has enforced the need for clean, wholistic solutions. It is clear that there is no going back to the status quo. The demand for clean sustainable solutions has changed from something nice to have, to a necessity for Industries - where government incentives to transition to a green economy have lagged, fossil fuel prices have finally made them economically attractive.

CISH has been able to position themselves as a leader in a fast-growing industry, adapting their services to the industries needs while still holding onto their core principles and values. With a resurgence in the demand for safe, clean, and affordable energy, the company can show industries how to decarbonize their processes, save water and resources, and ensure a healthy environment for all of us to live.



*Christian Zahler, CEO*

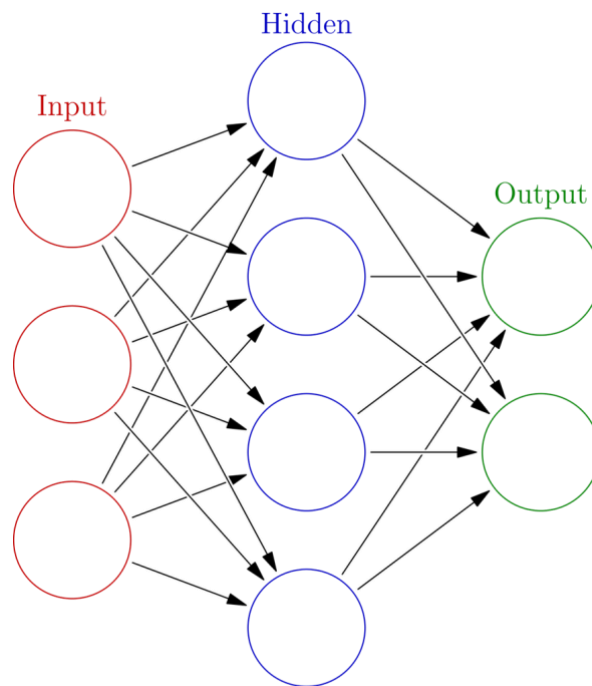
Moving into the second year of the pandemic, we have come to terms and managed to adapt ourselves to the 'new norm' in our approach to do business. Our strategic decisions from 2020 have started to yield results, both with our activities in the home market - such as realizing PV projects In Germany, an already mature technology in a saturated market - and our ability to provide consultation services to business and companies abroad. Our portfolio diversification has kept us on our toes and has allowed us to better address a vast Industrial market with a broad range of Innovative and complex solutions.

What has been most interesting is that despite businesses getting used to the pandemic and preparing themselves for the post-covid market, 2021 was filled with external events that have only strengthened our resolve. In the summer we witnessed an unprecedented number of natural disasters, from the forest fires in America to the floods in China and here in Europe, culminating with the IPCC report and the COP26 event held In Glasgow, which had only confirmed our position and the dire need for sustainable solutions.

Moving Into 2022, this position has been further strengthened with the ongoing conflict In Ukraine. Gas prices have made our solutions even more competitive, and industries are realizing the full potential of renewables. This finally allows us to approach all aspects of the energy trilemma to ensure we can provide all Industries with secure, affordable and sustainable solutions.

## 4 Machine Learning at Industrial Solar GmbH

Neural networks learn from experience just as humans do. That is why they use large amounts of data to intrinsically learn how to model this data. Using Neural Networks, we can assume mathematical models from examples of data. There are many network architectures that we can use depending on what goal we want to achieve. Where classic algorithms are given rules to classify with, neural networks learn the rules using given examples of data.



### Why use Neural Networks in Industrial Solar?

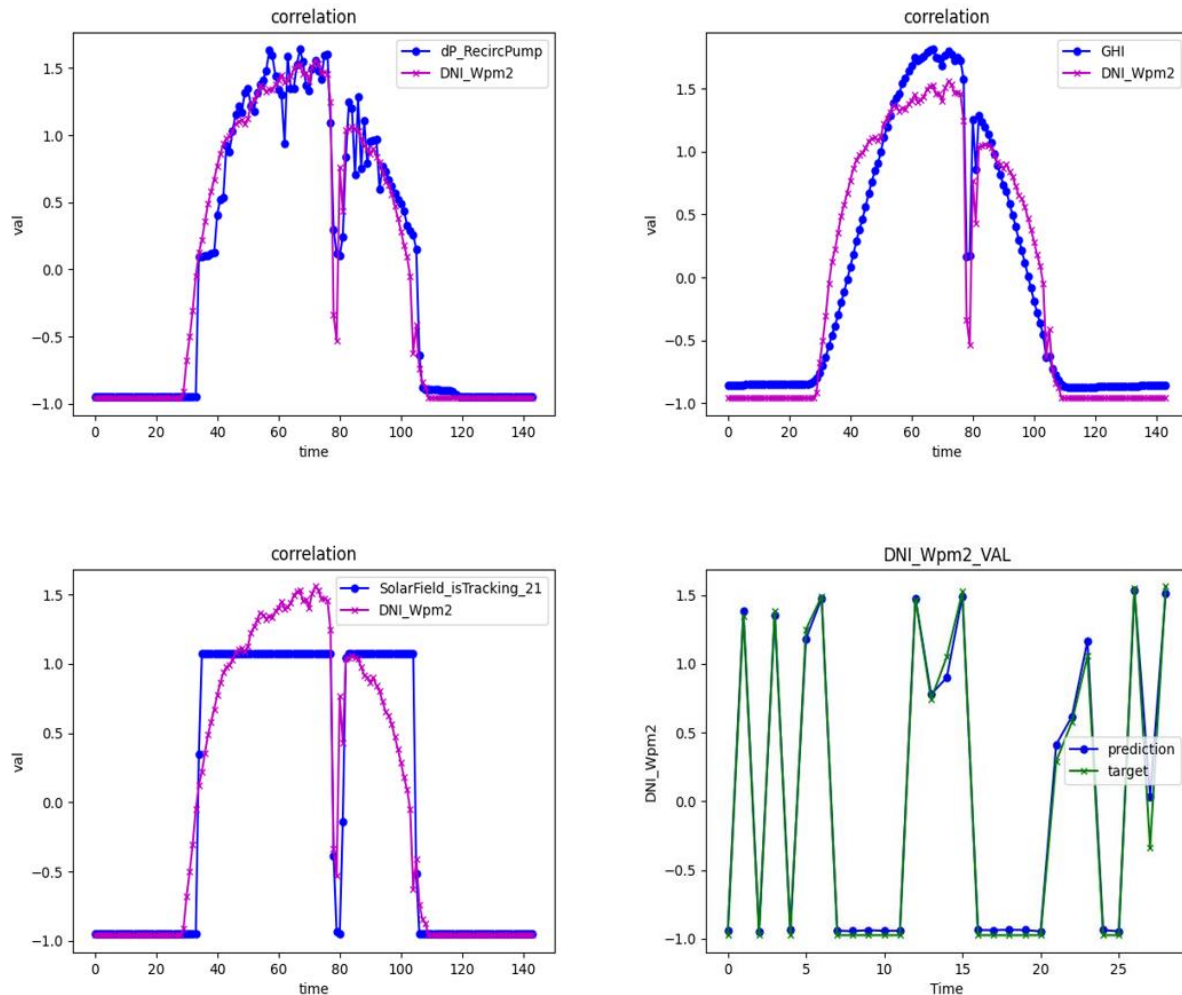
The data collected from sensors installed in solar collectors around the world give back a vast amount of information. This information has a lot of value regarding the functioning of these collectors. This data is obtained, prepared and organized to provide analysis for the company. Data analysis helps organizations work with their data efficiently and use it to identify new opportunities.

Neural networks provide a flexible model that, as stated before, is perfect when there is a lot of data available. The flexibility and precision of Neural Networks open opportunities where deep learning can be used in Industrial Solar. Some projects include:

- Failure prediction: when a failure is going to happen.
- Value Prediction: given other variables related to it.
- Time series prediction: future values of a time series given previous records.
- Anomaly detection: Understand "normal" behavior and report when an input is abnormal.

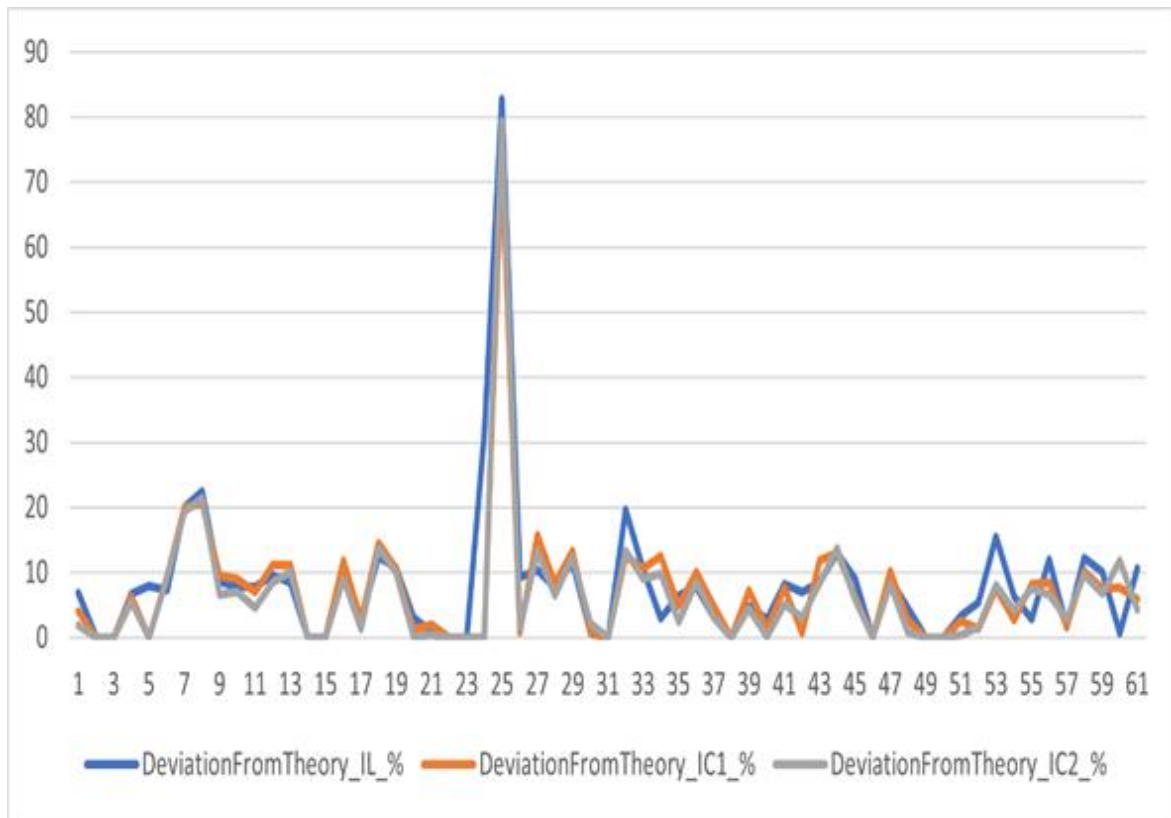
Industrial Solar started its journey with Artificial Intelligence with the KI-CSTS (Künstliche Intelligenz - Concentration Solar Thermal System) project. Here some of the previously mentioned concepts are being put into practice: Value prediction in the Virtual Sensor Network and Anomaly detection, with Predictive Maintenance.

**Virtual Sensor Network:** runs an algorithm that demonstrates what the most correlated sensors are to a target sensor (and what is the correlation percentage). Then a Neural Network is trained using the correlated sensors to act as the target sensor, replacing it while it is off. The confidence of prediction is given by its correlation percentage.



The graphs above depict the correlation of specific sensors with the target sensor. As it can be seen, the target variable (purple) can be expressed by certain properties of the correlated variables (blue), such as trend, amplitude and symbol. Using this data, the neural networks are able to accurately predict the DNI values (blue) as compared to the target value (green) in the graph in the bottom right.

**Predictive Maintenance:** A Neural Network is trained to predict one target value either by using its past inputs or by using other sensors. Predictions are then compared to real lectures and see how much they deviate. Large deviations can either indicate that the sensor is failing or should be further investigated.



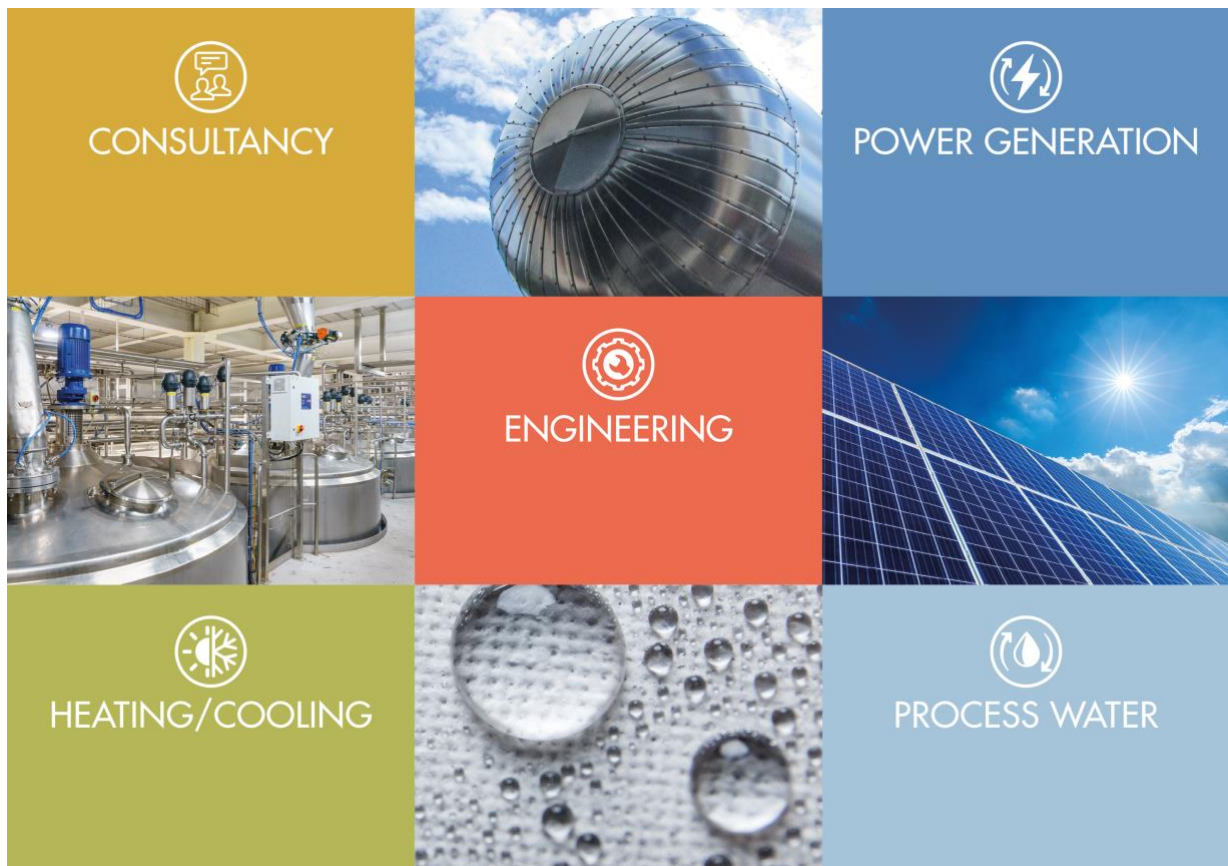
This image shows the deviation reported in 61 days of measurements. Day 25 needs further inspections as the deviation of the predicted value against the real lecture is considerably big. These are just some projects that can be implemented. However, the applications of machine learning in our collectors are endless, proving to become an exciting topic to work with and improve our already reliable systems.

## 5 Business Description

Clean Industry Solutions Holding Europe AB invests in companies which provide solutions for a sustainable industry and a circular economy. For the time being, the two subsidiaries Industrial Solar GmbH and SolarSpring GmbH offer solutions for the supply of clean energy and clean water for industry. Both markets will witness a tremendous growth, the driving forces being decarbonization and water scarcity. Clean Industry Solutions Holding Europe AB follows a buy and build strategy by investing in independently operating innovative companies in the mentioned growth markets. Each investment decision is based on a comprehensive due diligence process by the Company, focusing on high growth potential, market status (successful market entry completed and commercial revenues) and convincing teams. The profound technical and commercial experience of the Company is a major asset in the selection process. The buy and build strategy provides further advantages for each company and accordingly the holding, namely:

- minimized risks of individual investments;
- accelerated growth of each company due to synergies in sales and business development;
- synergies in administration and financing lower operating costs for subsidiaries;

While in the future further investments which fit our objectives are foreseen, there are currently no concrete negotiations.





## 6 Achievements 2021

Despite the impacts of the COVID-19 situation, the year 2021 was very exciting with several efforts and highlights.

### **Industrial Solar investigates conditions for moving to First North Growth Market**

The Board of Directors of Industrial Solar Holding Europe AB (publ) has decided to investigate the conditions for a list change from Spotlight Stock Market to Nasdaq First North Growth Market. The company's ambition is to apply for listing on the Nasdaq First North Growth Market during Q2, 2021.

### **New business strategy starts to pay off**

Industrial Solar GmbH, formerly mostly known for its LF-11 Fresnel Collector for industrial process heat applications, has, over the last years, broadened its technology portfolio and developed into a leading turnkey provider for customised renewable energy solutions, both on a national and an international level. Industrial Solar's latest additions of technologies such as photovoltaic carports and non-concentrating solar thermal solutions now also start to pay off.

### **New manufacturing method expected to cut cost by up to 80 % in membrane distillation technology**

A major goal for SolarSpring is the successful marketing of membrane distillation modules through a more cost-effective production. With a new manufacturing technology and a new module design a cost reduction of up to 80 % can be achieved. The new version of membrane distillation modules will be market available in the second half of 2021.

### **Image campaign 'Don't be a fossil fool!'**

'Don't be a fossil fool!' was the daring title of Industrial Solar GmbH's latest campaign. The goal was to prompt 'fossil fools', namely different sectors of industry, to rethink their consumption of fossil fuels and to change to renewable energy sources instead. The campaign started in mid-February 2021 and was run on the social media accounts Instagram, twitter and LinkedIn.

### **Industrial Solar changes name to Clean Industry Solutions**



On 22 February 2021, the Extraordinary General Meeting decided to change the company name. The Swedish Companies Registration Office decided that the initially proposed name needed to be supplemented in order to be able to register it. Hence the new name Clean Industry Solutions Holding Europe AB (Europe has been added compared to previous proposals) which the Swedish Companies Registration Office has approved and registered.

## **ERA-NET Project Grant for Elimination of Contaminants from Wastewater Treatment Plants**

ERA-NET project grant for the project SERPIC joins eight international partners in their efforts to eliminate contaminants of emerging concern and pathogens at the outlet of wastewater treatment plants (WWTPs) and thus mitigating their spreading into the environment including the ocean. SolarSpring GmbH and its partners will be targeting a zero discharge of antimicrobial resistant compounds and contaminants of emerging concern by means of electrochemical reduction. SolarSpring will receive funding of € 148,000.

## **CIEMAT to contract revision, upgrade and modification of membrane distillation laboratory equipment**

SolarSpring GmbH and Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT) have closed a contract for a tailor-made revision and modification of the existing MDlab facility to enable new features. The contract sum amounts to € 22,570.

## **Consultancy contract to foster carbon neutral heat supply in Jordan**



Industrial Solar GmbH has signed a consultancy contract with the "Deutsche Gesellschaft für Internationale Zusammenarbeit" (GIZ). The cooperation will last for 3 months and will support Industrial Solar with € 51,000.

## **Industrial Solar GmbH ISO 9001 certified**



Industrial Solar GmbH has achieved ISO 9001 Certification from the Certification Body of TÜV SÜD Management Service GmbH. ISO 9001 is the internationally recognized standard for a quality management system (QMS). This enables companies to operate more effectively on several different levels, including the ability to focus on customer requirements and constantly finding ways in which to improve and become resilient and sustainable.

## **Industrial Solar GmbH to install photovoltaic system for city council**

The city council Frankenthal placed an order with Industrial Solar GmbH for a photovoltaic system. The low-voltage system with an installed capacity of 25 kW is designed for self-consumption with a surplus feed-in. The company's engineering team is going to expand the lightning protection of the plant and integrate the new infrastructure into the existing network according to valid standards and guidelines. The construction will begin in mid-May 2021 and the contract volume is € 38,000.

## **Clean Industry Solutions Holding Europe AB appoints CFO**

Clean Industry Solutions Holding Europe AB has a new Chief Financial Officer. The solution was approved by the board on April 20, 2021. In this course he is also appointed commercial director of the CISH AB's 100% subsidiary Industrial Solar GmbH.

Jochen Lachnit holds a MBA from the University of Bamberg and has worked in the position of CFO in other companies like the Meona Group GmbH and Jedox AG before he joined Industrial Solar GmbH, a 100% subsidiary of Clean Industry Solutions Holding Europe AB, in October 2020 as commercial manager.

### **New R&D project Modulus granted**

On April 20, 2021, Industrial Solar GmbH and its consortium partners received the grant agreement for the R&D project Modulus. The project, funded by the German Federal Ministry of Economic Affairs and Energy (BMWi), aims to simplify the integration of solar heat into industrial processes. The total funding volume for Industrial Solar GmbH amounts to € 218.977.

### **Former chairman of Volvo nominated as new chairman for CISH AB**

The election committee of Clean Industry Solutions Holding Europe AB (CISH) nominates Finn Johnsson, former chairman of AB Volvo, as new chairman, while former chairman of CISH, Olle Olsson, is proposed to become a board member and Joao Gomes to leave the board.

### **30% cost reduction makes safe and clean drinking water for the growing world population more affordable**

With its proven water treatment solutions, SolarSpring has already provided places around the world with its water purification system. In February, it was communicated that the production costs of SolarSpring's membrane distillation modules - which are mainly applied for wastewater treatment in industry - will be reduced by 80% due to a new production technology. In June, the company was proud to announce that the sales price of its ultra-filtration solutions will also decrease by 30%, which is of special importance for economically weak countries, where this technology is needed most for the provision of safe and clean drinking water.

### **Bulletin from Shareholders' Annual Meeting**

The annual general meeting of Clean Industry Solutions Holding Europe AB was held on Wednesday, 23rd of June by postal voting.

Finn Johnsson, former chairman of AB Volvo, was elected new chairman of Clean Industry Solutions Holding Europe AB (CISH). Olle Olsson, former chairman of CISH, remains in the board, whereas Joao Gomes left the the board.

### **SolarSpring receives order to investigate treatment of process water from 'Dead Sea Works'**

The Dead Sea Works (as part of the ICL Group – a leading global specialty minerals company that creates impactful solutions for humanity's sustainability challenges in the global food, agriculture, and industrial markets) is investigating in evaporating of up to 15% of water from a concentrated brine with a Membrane Distillation technology. The final process aims at a flow

rate of 3t/h. In order to reach that goal, SolarSpring GmbH from Freiburg has been contracted to conduct laboratory bench tests with its novel Membrane Distillation technology using vacuum. This configuration enhances the process efficiency and is required when dealing with challenging salt solutions of extremely high concentration. Mining industries typically deal with waste waters of similar composition resulting in an increasing need for efficient processing technologies.

The great need for concentrating brine in the mining industry all over the world is also shown in this order which has a relatively small volume of 15,000 € but is of high strategical importance.

### **Clean Industry Solutions Holding Europe AB approved for listing on Nasdaq First North Growth Market on 28 June 2021**



On 28 June, Clean Industry Solutions Holding Europe AB announced that it received approval for admission to trading on Nasdaq First North Growth Market ("Nasdaq First North"). The first day of trading on Nasdaq First North was on 12 July 2021.

### **Clean Industry Solutions launches new website**

After having undergone some significant changes during the last 2 years, Clean Industry Solutions has recently launched its new website that presents the company's business strategy and provides all information for interested investors.

### **Clean Industry Solutions listed at Nasdaq First North Growth Market**

As announced earlier this year, the Board of Clean Industry Solutions Holding Europe AB (CISH) had taken the decision to list at Nasdaq First North Growth Market. Nasdaq has approved CISH's application for admission to trading, and 12 July 2021 was the first day of trading.

### **Industrial Solar awarded grant for R&D project in the field of Artificial Intelligence**

Clean Industry Solutions Holding Europe AB (CISH) joins the ranks of companies leading the fourth industrial revolution under Artificial Intelligence (AI) banners, as its subsidiary company, Industrial Solar GmbH, has successfully been awarded a grant of total € 76,565 by the Ministry of Economic Affairs, Labor and Tourism of the state of Baden-Württemberg to optimize the performance and reliability of its concentrating solar technology.

### **Spanish Center for Energy, Environmental and Technological Research purchases MDPilot system with SolarSpring's next generation module technology**



Today, the Spanish Center for Energy, Environment and Technological Research (CIEMAT) placed a purchase order with a volume of 60,490 € for one of SolarSpring's custom MDPilot system. The system will be delivered to the Plataforma Solar de Almería (PSA), Europe's

largest testing center in the field of solar energy generation and piloting of solar driven desalination technology.

### **SolarSpring Receives First Order from Eau Propre d'Afrique SARL for CO<sub>2</sub> Mitigation**

SolarSpring GmbH has received a first order with a volume of 48,200 € for a water purification system in Burkina Faso from the investor and operator Eau Propre d'Afrique SARL and the financial supporter and climate protection organization atmosfair. The German non-profit organization atmosfair actively contributes to CO<sub>2</sub> mitigation by promoting, developing, and financing renewable energies in over 15 countries worldwide. They rely exclusively on voluntary climate payments from private individuals and businesses which are used to mitigate the effects of climate change.

### **Fresnel Solar Steam Generator from Industrial Solar highlighted at COP26**

Industrial Solar GmbH had its flagship solution, the Fresnel Solar Steam Generator, highlighted in 1000+ Solutions Guide prepared by the Solar Impulse Foundation for the COP26 held in Scotland from 31 October to 12 November 2021.

Industrial Solar's Fresnel Steam Generator obtained its label as efficient solution by the Solar Impulse Foundation back in 2019 after a rigorous evaluation process that analyzed the market potential, technical capabilities, and economic fit for a sustainable future.

Now, the solution was highlighted with a clear message for governments and decision makers: "Countries need to set targets for renewable heat, accelerate capacity building for solution providers and off-takers, support project development and, most importantly, accelerate the uptake of suitable financing schemes which consider the investment constraints by industrial end-users".

### **Amendment of SHIP2FAIR Grant Agreement**



Due to unforeseen parameters regarding a demonstration site assigned to Industrial Solar, amendments will be made in relation to the grant agreement for the Horizon 2020 project SHIP2FAIR. As the site in Italy was not suitable for a demonstration project, Industrial Solar and the consortium suggested to include a new partner for a demo system into the consortium, which was rejected by the European commission. As the project is already delayed due to the Covid-19 crisis, the general assembly of the project decided today not to propose a further alternative site for a demonstration system. The cancellation of a second demonstration site with Industrial Solar technology could affect the budget allocated to Industrial Solar until mid-2023 by up to 500 k€.

### **Luleå University of Technology, Sweden, orders MDLab research unit from SolarSpring GmbH**



The Luleå University of Technology, Sweden, requested a SolarSpring MDLab research unit that can function in both a Direct Contact Membrane Distillation (DCMD) and a Vacuum Membrane Distillation (VMD) configuration including a cooling trap for distillate condensation. In addition, a specific membrane cell was constructed by SolarSpring that can incorporate the

novel membrane samples manufactured by the University's research team. The purchase order was placed for a value of 54 k€.

### **SolarSpring contracted for MD lab system used in cutting edge offshore hydrogen generation project**

The Karlsruhe Institute of Technology (KIT) placed an order with SolarSpring for the refurbishment and upgrade of a membrane distillation (MD) lab system with a contract value of 24,655 €. The system is to be used for experimental studies on the generation of ultrapure water from seawater within the project H2Mare funded by the German Ministry of Education and Research (BMBF).

### **Industrial Solar Awarded Grant for R&D Project to Push Market Introduction of Solar Steam Generation**

The project consortium of the R&D project JOSSI – comprising Industrial Solar, the German Aerospace Center (DLR), Helmholtz Center Dresden-Rossendorf and their Jordanian partners the University of Jordan, the Middle East University, the National University College of Technology, Amman Chamber of Industry and Najjar & Rawas Company – received the approval of their application. Start date of the 3-year project funded by the German Federal Ministry of Education and Research was 15 December 2021, and Industrial Solar is granted 237 k€ with a funding rate of 50%.

### **Clean Industry Solutions raised SEK 10 million in a directed share issue to Assindia AB**

The board of Clean Industry Solutions Holding Europe AB has, based on the authorisation granted by the Annual General Meeting on June 23, 2021, decided on a directed share issue of 3,125,000 shares to Assindia AB ("Assindia") at a price of SEK 3.20 per share, which corresponds to a discount of approximately 2.14 percent compared with the closing price for the Class B common share on Nasdaq First North Growth Market on December 15, 2021. The proceeds from the share issue will support the company's strategic development objectives.



## 7 Management Report

### About the company in general

The corporate group consists of the the parent company Clean Industry Solutions Holding Europe AB (559110-3972) and the two fully owned subsidiaries Industrial Solar GmbH and SolarSpring GmbH in Germany. The corporate group is located in Stockholm, Sweden.

### Industrial Solar GmbH

Industrial Solar GmbH is an international leading technology and solution provider, which develops projects mainly based on its innovative Fresnel collector technology suitable for fulfilling an expected growing market of solar process heat. As a one-stop-shop Industrial Solar offers turnkey solutions for customers in several industries, such as food, pharmaceutical, chemical, metal, automotive, etc. The company is located in Germany.

The result for Industrial Solar GmbH before taxes and transfers to/from untaxed reserves is -6,683 (-7,866) TSEK.

### SolarSpring GmbH

Founded in 2009 as a spin-off of the Fraunhofer Institute for Solar Energy Systems (ISE), SolarSpring GmbH – membrane solutions has evolved into a global expert in the field of membrane distillation offering an innovative waste- and drinking water treatment technology. The company is located in Freiburg / Germany.

The result for SolarSpring GmbH before taxes and transfers to/from untaxed reserves is -2,212 (-3,570) TSEK.

### The Parent Company

Clean Industry Solutions Holding Europe AB, which was registered 2017-04-28, invests in companies which provide solutions for a sustainable industry and a circular economy. The company has its seat in Stockholm, Sweden.

The result for CISH AB before taxes and transfers to/from untaxed reserves is -16,827 (-2,192) TSEK.

### Development of the company's business, results and position

#### Corporate Group

<b>FINANCIAL OVERVIEW (IN TSEK)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Balance sheet total	27,294	31,313	12,000	16,957
Net turnover	2,180	2,018	827	2,197
Solidity	56%	63%	34%	85%
Profit/loss after financial items	-12,393	-13,523	-8,929	-2,058

**CISH AB Group | in TSEK**

CHANGE IN EQUITY (in TSEK)	2021			Total
	Share capital	Premiu m fund	Balanced result incl. result for the year	
<b>Opening balance 01-01</b>	<b>1,199</b>	<b>43,322</b>	<b>-24,927</b>	<b>19,594</b>
Unregistered share capital	1,500	8,500		10,000
New share issue				
Issue expenses				
Translation difference			-112	-112
Loss for the year			-14,145	-14,145
<b>At the year end 12-31</b>	<b>2,699</b>	<b>51,822</b>	<b>-39,184</b>	<b>15,337</b>

**Parent Company**

FINANCIAL OVERVIEW (IN TSEK)	2021	2020	2019	2018
Balance sheet total	37,545	43,850	17,517	18,243
Net turnover	0	0	0	0
Solidity	91%	94%	80%	44%
Profit/loss after financial items	-16,827	-2,192	-829	-444

**CISH AB | in TSEK**

CHANGE IN EQUITY (in TSEK)	2021			Total
	Share capital	Premiu m fund	Balanced result incl. result for the year	
<b>Opening balance 01-01</b>	<b>1,199</b>	<b>43,322</b>	<b>-3,465</b>	<b>41,056</b>
Unregistered share capital	1,500	8,500		10,000
New share issue				
Issue expenses				
Loss for the year			-16,827	-16,827
<b>At the year end 12-31</b>	<b>2,699</b>	<b>51,822</b>	<b>-20,292</b>	<b>34,229</b>

**Proposed distribution of profits**

Available for the general meeting is (in TSEK):

- Share premium account	43,321,549
- retained losses	-3,464,727
- loss for the year	-16,827,174
	<b>23,029,648</b>

The board suggests that there will be no dividend and that the non-restricted equity is allocated as shown below:

- to be brought forward (in TSEK)	23,029,648
	<b>23,029,648</b>

### **Investments**

The investments of this year in the subsidiaries amount to 641 TSEK (2,835 TSEK), out of which 45 TSEK (280 TSEK) are for intangible assets and 595 TSEK (2,555 TSEK) for machinery & equipment.

### **Important events during the financial year**

COVID-19 did impact our business heavily again in 2021. Since it was still nearly impossible to travel internationally, we couldn't visit our international customers and therefore the progress in developing our leads has been low.

### **Expected future development**

The war in Ukraine and the resulting rise in fossil fuel prices will have – and is already having – a positive and significant impact on our business. In particular, we expect the willingness to reduce dependence on Russian gas to be more than temporary and that this will lead to a sustainable increase in our sales.

We no longer expect COVID-19 to have a significant negative impact on our business, as we do not expect severe travel restrictions to reappear.

The two external influences mentioned above, together with the diversification strategy that is now bearing fruit, will lead to a significant increase in sales at Industrial Solar. The Fresnel collector for industrial process heat applications, for which Industrial Solar has been best known, will benefit greatly from these external developments. At the same time, national and international demand for renewable energy solutions will meet our broad range of engineering services and turnkey provider for customised solutions.

SolarSpring's R&D activities have made it possible to reduce the complexity of the production process for its membrane distillation systems and the associated costs. This makes it even more attractive for potential customers to invest in these systems to meet the industrial wastewater treatment requirements they face. We therefore expect the growth trend that began in 2021 to continue.

## 8 Consolidated Income Statement

CISH AB Group		2021	2020
<b>INCOME STATEMENT   in TSEK</b>			
Sales		2,180	2,018
Increase in finished goods, inventories and wip		1,163	-1,289
Other own work capitalized		0	317
<b>Income</b>		<b>3,344</b>	<b>1,046</b>
Other operating income		7,220	3,527
<b>Operating Income</b>		<b>10,564</b>	<b>4,573</b>
Cost of Sales		-1,565	-1,516
Personnel Costs	3, 4	-15,547	-11,778
Other external expenses	2	-6,589	-3,853
Other operating expenses		-75	-80
Depreciation		-848	-730
<b>Operating Costs</b>		<b>-24,624</b>	<b>-17,957</b>
<b>Operating result (EBIT)</b>		<b>-14,060</b>	<b>-13,384</b>
Financial result		-84	-139
Profit (+) / loss (-) after financial items		-14,144	-13,523
Taxes		-1	0
<b>Profit (+) / loss (-) after taxes</b>		<b>-14,145</b>	<b>-13,523</b>

The negative result reflects the cost for business, product and system development.

## 9 Consolidated Balance Sheet

CISH AB Group   in TSEK		31.12. 2021	31.12. 2020			31.12. 2021	31.12. 2020
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
Other intangible assets	5	227	232	Share capital		1,199	1,199
Goodwill	6	1,025	1,341	Unregistered share capital		1,500	0
<b>Intangible fixed assets</b>		<b>1,252</b>	<b>1,573</b>	<b>Total restricted equity</b>		<b>2,699</b>	<b>1,199</b>
<b>Tangible fixed assets</b>	7	<b>2,480</b>	<b>2,418</b>	Share premium account		51,822	43,321
<b>Total fixed assets</b>		<b>3,732</b>	<b>3,991</b>	Loss carried forward		-24,927	-11,369
<b>Inventories</b>		<b>1,990</b>	<b>477</b>	Profit (+) / loss (-) for the period		-14,145	-13,523
Trade receivables		1,712	909	Translation Difference		-112	-34
Accrued non-invoiced revenue		1,297	1,297	<b>Total non-restricted equity</b>		<b>12,638</b>	<b>18,395</b>
Other short-term receivables		1,512	487	<b>Total equity</b>		<b>15,337</b>	<b>19,594</b>
Deferred income		2,669	3,800	Liabilities to banks		85	584
<b>Current receivables</b>		<b>7,190</b>	<b>6,493</b>	Trade liabilities		1,117	676
<b>Cash &amp; Bank</b>		<b>14,383</b>	<b>20,352</b>	Payments received		2,511	770
<b>Total current assets</b>		<b>23,562</b>	<b>27,322</b>	Other current liabilities		1,948	3,108
				Accrued expenses & deferred income		6,296	6,581
				<b>Total liabilities</b>		<b>11,957</b>	<b>11,719</b>
<b>TOTAL ASSETS</b>		<b>27,294</b>	<b>31,313</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,294</b>	<b>31,313</b>

## 10 Consolidated Cash Flow

<b>CISH AB Group   in TSEK</b>	<b>2021</b>	<b>2020</b>
<b>CASH FLOW</b>		
<b>Operating activities</b>		
Profit/loss after financial items	-14,145	-13,523
Adjustments for items not included in cash flow	743	366
<b>Cash flow from operating activities before changes in working capital</b>	<b>-13,402</b>	<b>-13,157</b>
<b>Cash flow from changes in working capital</b>		
Change in inventories	-1,513	-184
Change in operating receivables	-697	826
Change in operating liabilities	238	3,857
<b>Cash flow from changes in working capital</b>	<b>-1,972</b>	<b>4,499</b>
<b>Cash flow from operating activities</b>	<b>-15,373</b>	<b>-8,658</b>
<b>Investing activities</b>		
Investments in tangible fixed assets	-595	-458
Acquisition of financial assets	0	-2,721
Disposal of intangible assets	0	0
<b>Cash flow from investing activities</b>	<b>-595</b>	<b>-3,179</b>
<b>Financing activities</b>		
New share issue in progress	10,000	24,681
Issue expenses	0	-1,608
<b>Cash flow from financing activities</b>	<b>10,000</b>	<b>23,073</b>
<b>Cash flow for the year</b>	<b>-5,969</b>	<b>11,236</b>
Cash and cash equivalents begin of period	20,352	9,116
Cash and equivalents end of period	14,383	20,352

## 11 Parent Company Income Statement

<b>CISHE AB   in TSEK</b>	<b>2021</b>	<b>2020</b>
<b>INCOME STATEMENT</b>		
Other operating income	1,047	3
<b>Operating Income</b>	<b>1,047</b>	<b>3</b>
Personnel Costs	-1,686	-417
Other external expenses	-4,186	-1,614
Other operating expenses	-75	-80
Depreciation	0	0
<b>Operating Costs</b>	<b>-5,947</b>	<b>-2,111</b>
<b>Operating result (EBIT)</b>	<b>-4,900</b>	<b>-2,108</b>
Financial result	-11,927	-84
<b>Profit (+) / loss (-) after financial items</b>	<b>-16,827</b>	<b>-2,192</b>
Taxes	0	0
<b>Profit (+) / loss (-) after taxes</b>	<b>-16,827</b>	<b>-2,192</b>

The negative results reflects the cost for business.

The Board proposes that the loss for the year 2021 of TSEK 16,827 is brought forward.

## 12 Parent Company Balance Sheet

CISHE AB   in TSEK		31.12. 2021	31.12. 2020		31.12. 2021	31.12. 2020
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>		
Financial assets	8	20,888	20,888	Share capital	1,199	1,199
<b>Total fixed assets</b>		<b>20,888</b>	<b>20,888</b>	Unregistered share capital	1,500	0
Loan to affiliated companies	9	0	1,011	<b>Total restricted equity</b>	<b>2,699</b>	<b>1,199</b>
Receivables from affiliated companies	9	919	0	Share premium account	51,822	43,322
Other short-term receivables		2	80	Loss carried forward	-3,465	-1,273
Deferred income		2,499	3,675	Profit (+) / loss (-) for the period	-16,827	-2,192
<b>Total current receivables</b>		<b>3,419</b>	<b>3,755</b>	<b>Total non-restricted equity</b>	<b>31,530</b>	<b>39,857</b>
<b>Cash &amp; Bank</b>		<b>13,238</b>	<b>18,195</b>	<b>Total equity</b>	<b>34,229</b>	<b>41,056</b>
<b>Total current assets</b>		<b>16,657</b>	<b>22,962</b>	Trade liabilities	421	62
<b>TOTAL ASSETS</b>		<b>37,545</b>	<b>43,850</b>	Other current liabilities	1,943	1,954
				Accrued expenses & deferred income	952	778
				<b>Total liabilities</b>	<b>3,316</b>	<b>2,794</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,545</b>	<b>43,850</b>

## 13 Parent Company Cash Flow

CISHE AB   in TSEK	2021	2020
<b>CASH FLOW</b>	<b>FY</b>	<b>12 YTD</b>
<b>Operating activities</b>		
Profit/loss after financial items	-16,827	-2,192
<b>Cash flow from operating activities before changes in working capital</b>	<b>-16,827</b>	<b>-2,192</b>
<b>Cash flow from changes in working capital</b>		
Change in operating receivables	1,347	-232
Change in operating liabilities	523	-609
<b>Cash flow from changes in working capital</b>	<b>1,869</b>	<b>-841</b>
<b>Chash flow from operating activities</b>	<b>-14,958</b>	<b>-3,033</b>
<b>Investing activities</b>		
Acquisition of financial assets	0	-3,230
<b>Cash flow from investing activities</b>	<b>0</b>	<b>-3,230</b>
<b>Financing activities</b>		
New share issue	10,000	0
New share issue in progress	0	24,681
Issue expenses	0	-1,608
<b>Cash flow from financing activities</b>	<b>10,000</b>	<b>23,073</b>
<b>Cash flow for the year</b>	<b>-4,958</b>	<b>16,810</b>
Cash and cash equivalents begin of period	18,195	1,385
Cash and equivalents end of period	13,238	18,195



## 14 Notes to the Financial Statements

### Note 1 Accounting principles

The consolidated and annual financial statements have been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general guidance BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3).

#### *Receivables*

Receivables are stated at the amounts expected to be received.

#### *Other assets, provisions and liabilities*

Other assets, provisions and liabilities have been valued at cost unless otherwise stated below.

#### *Revenue account*

Revenue is recognised at the fair value of the consideration received or receivable and is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be measured reliably. Deductions have been made for trade discounts, volume discounts and similar price reductions.

#### *Service contracts and construction contracts*

Revenue from a contract under a construction contract is recognised as income as work is performed and materials are supplied or consumed.

Assignments under fixed-price construction contracts are recognised as revenue as work is performed under the straight-line method. The economic outcome of fixed-price contracts is calculated as revenue or expense based on the stage of completion at the balance sheet date.

If the economic outcome of a contract cannot be measured reliably, an entity recognises revenue only to the extent of contract costs incurred that are probable of being reimbursed by the customer.

When it is probable that total contract costs will exceed total contract revenue, the entity immediately recognises the expected loss in the income statement.

The percentage of completion is calculated as the expenditure incurred at the balance sheet date in relation to the total estimated expenditure to complete the contract. The difference between recognised revenue and invoiced progress billings is recognised in the balance sheet. Revenue accrued but not invoiced is recognised as a current receivable under the heading Revenue accrued but not invoiced. Revenue invoiced but not yet earned is recognised as a current liability in the item Revenue invoiced but not yet earned.

### *Goodwill*

Goodwill represents future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is stated at cost less accumulated amortisation.

### *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortisation and any impairment losses.

### *Depreciation*

Depreciation is charged on a straight-line basis over the estimated useful life of the asset as it reflects the expected pattern of consumption of the future economic benefits embodied in the asset, taking into account any significant residual value. Depreciation is recognised as an expense in the income statement.

<i>Fixed assets:</i>	<i>Useful life</i>
Acquired intangible assets	5 years
Goodwill	5 years

### *Tangible fixed assets*

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

In addition to the purchase price, cost includes expenditure directly attributable to the acquisition and indirect manufacturing costs as incurred.

### *Depreciation*

Depreciation is provided on a straight-line basis over the estimated useful life of the asset, as it reflects the expected pattern of consumption of the future economic benefits embodied in the asset, taking into account any significant residual value. Depreciation is recognised as an expense in the income statement. For technical equipment, the difference in the useful life of major components has been assessed as material. Component depreciation is applied to these assets.

<i>Fixed assets:</i>	<i>Useful life</i>
Technical equipment and machinery	3 - 10 years
Tools and equipment	1 -13 years

### *Financial instruments*

Financial instruments are accounted for in accordance with the rules in K3 Chapter 11, which means that valuation is based on cost. Financial instruments recognised in the balance sheet include investments in subsidiaries, trade and other receivables, trade payables and loans payable. Instruments are recognised in the balance sheet when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the right to receive cash flows from the instruments has expired or has been transferred and the entity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised when the obligations have been settled or otherwise terminated.

Trade and other receivables are classified as current assets, except for items due more than 12 months after the balance sheet date, which are classified as non-current

assets. Receivables are stated at the amount expected to be collected less any individually assessed doubtful debts.

Investments in subsidiaries, associates, jointly controlled entities and entities in which there is an ownership interest are stated at cost less accumulated impairment losses. In addition to the purchase price, the cost includes expenses directly attributable to the acquisition.

Loans and trade payables are classified as non-current liabilities, except for items falling due within 12 months of the balance sheet date, which are classified as current liabilities. Liabilities are measured at amortised cost.

### *Leasing*

A finance lease is a lease under which the economic risks and rewards incidental to ownership of an asset are substantially transferred from the lessor to the lessee. An operating lease is a lease that is not a finance lease.

All leases are accounted for as finance leases.

### *Inventory*

Inventories are stated at the lower of cost (calculated on a first-in, first-out basis) and net realisable value. This valuation method takes into account any obsolescence of the inventory. Raw materials, purchased finished and semi-finished goods and merchandise are valued at cost. Cost is calculated using the weighted average cost method. The cost of own-produced semi-finished and finished goods comprises both direct manufacturing costs and a reasonable proportion of indirect manufacturing costs.

### *Tax*

Tax on the profit or loss for the year in the income statement consists of current tax and deferred tax.

Current tax is income tax for the current financial year relating to the taxable profit for the year and the unrecognised portion of income tax for previous financial years. Deferred tax is income tax relating to taxable profit for future periods arising from past transactions or events.

A deferred tax liability is recognised for taxable temporary differences relating to an arising internal profit.

In the consolidated balance sheet, untaxed reserves are split between deferred tax and equity

### *Provisions*

A provision is recognised in the balance sheet when the entity has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount.

At initial recognition, provisions are measured at the best estimate of the amount that will be required to settle the obligation at the balance sheet date. Provisions are reassessed at each balance sheet date.

### *Employee benefits*

Employee benefits consist of salaries, social security contributions, holiday pay, paid sick leave, medical care and contractual insurance costs. Compensation is recognised as an expense and a liability when there is a legal or constructive obligation to pay compensation.

### *Post-employment benefits*

Contributions to defined contribution plans are recognised as an expense. Defined contribution plans are post-employment benefit plans under which an enterprise pays defined contributions to another enterprise and has no legal or constructive obligation to pay anything further even if the other enterprise is unable to meet its obligation.

### *Foreign currency receivables and payables*

Exchange gains and losses on monetary items are recognised in the economic outturn account in the years in which they arise. Exchange differences arising on operating receivables and payables are recognised in operating profit and exchange differences on financial receivables and payables are recognised in financial items.

### *Public contributions*

A government grant that is not linked to an obligation for future performance is recognised as revenue when the conditions for receiving the grant are met.

Government grants related to fixed assets are recognised in the balance sheet by reducing the carrying amount of the asset.

### *Contingent liabilities*

Contingent liabilities are guarantees, financial commitments and contingent liabilities that are not recognised in the balance sheet.

### *Consolidated financial statements*

#### *Subsidiaries*

The consolidated financial statements include subsidiaries or companies in which the parent company directly or indirectly holds more than 50 % of the voting rights or otherwise has a controlling influence. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group's financial statements are prepared under the purchase method of accounting, which eliminates in full the equity of the subsidiary at the date of acquisition, measured as the difference between the fair value of assets and liabilities. The Group's equity therefore includes only that portion of the subsidiary's equity that arose after the acquisition.

The Company applies the current rate method for translating the financial statements of foreign subsidiaries. This means that all assets and liabilities of the foreign subsidiary are translated at the exchange rate prevailing at the balance sheet date and all items in the income statement are translated at the average exchange rate. The resulting translation difference has no impact on the result and is taken directly to equity.

The valuation of assets and liabilities at group and company level takes into account the tax effect, which is recorded as deferred tax assets and liabilities respectively. However, deferred tax on group positive or negative goodwill is not taken into account.

Intra-group profits are eliminated.

#### *Group contributions*

Group contributions made are recognised as a provision in the income statement.

#### *Definition of key figures in the management report*

##### *Equity ratio*

Apparent equity in relation to the balance sheet total at the end of the year.

<b>Note 2: Audit fees and expenses (in SEK)</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>		
Finnhammars (2021) / KPMG (2020)		
Auditservices	167,773	254,531
Auditservices in excess off the audit engagement	0	64,000
<b>Total</b>	<b>167,773</b>	<b>318,531</b>
<b>Dehmer &amp; Partner</b>		
Auditservices	71,009	75,281
<b>Total</b>	<b>71,009</b>	<b>75,281</b>
<b>Parent company</b>		
Finnhammars (2021) / KPMG (2020)		
Auditservices	167,773	179,250
Auditservices in excess off the audit engagement	0	64,000
<b>Total</b>	<b>167,773</b>	<b>243,250</b>

#### **Note 3: Employees and personal costs**

<b>Average numbers of employees</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>		
Male	25	19
Female	9	8
Whereof men	73%	70%

<b>Disclosure of gender in the compays management</b>	<b>Proportion Women</b>	<b>Proportion Women</b>
<b>Group</b>		
Board of Directors	0%	0%
Other Senior management	0%	0%
<b>Parent Company</b>		
Board of Directors	0%	0%

<b>Salaries and other remunerations (in TSEK)</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>		
Board of directors and Managing director	2,053	866
Other employees	8,969	8,799
Total	11,021	9,665
<b>Parent company</b>		
Board of directors and Managing director	572	60
Other employees	0	0
Total	572	60
<b>Social security expenses</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>		
Pension expenses, managing director and board members	0	0
Pension expenses other employees	2	2
Social security expenses	2,999	1,997
Total	3,001	1,999
<b>Parent company</b>		
Pension expenses, managing director and board members	0	0
Pension expenses other employees	0	0
Social security expenses	135	19
Total	135	19
<b>Note 4: Remuneration to senior management (in TSEK)</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>		
Christian Zahler, Managing Director	835	806
Daniel Pfeifle, Managing Director	710	0
Jochen Lachnit, CFO	507	0
Total	2,053	806
<b>Parent company</b>		
Finn Johnsson, Chairman	171	0
Christian Zahler	71	0
Tobias Schwind	71	0
Daniel Pfeifle	71	0
Olle Olsson	95	0
Markus Augustsson	71	30
Joao Gomes Board member	24	15
Total	572	60



**Note 5: Other intangible assets (in TSEK)**
**2021 2020**
**Group**
**Accumulated acquisition costs**

At the beginning of the year	282	2
Acquisitions	45	280
At the end of the year	327	282

**Accumulated amortisation**

At the beginning of the year	-50	0
Amortisation during the year	-51	-50
At the end of the year	-101	-50

**At the end of the year 227 232**
**Note 6: Goodwill (in TSEK)**
**2021 2020**
**Group**
**Accumulated acquisition costs**

At the beginning of the year	1,577	0
Acquisitions	0	1,577
At the end of the year	1,577	1,577

**Accumulated amortisation**

At the beginning of the year	-236	0
Amortisation during the year	-315	-236
At the end of the year	-551	-236

**At the end of the year 1,025 1,341**
**Note 7: Tangible fixed assets (in TSEK)**
**2021 2020**
**Group**
**Accumulated acquisition costs**

At the beginning of the year	3,168	613
Acquisitions	595	2,555
At the end of the year	3,763	3,168

**Accumulated depreciation**

At the beginning of the year	-750	-242
Depreciation during the year	-533	-508
At the end of the year	-1,283	-750

**At the end of the year 2,480 2,418**
**Note 8: Participation in group companies (in TSEK)**
**2021 2020**
**Accumulated acquisition costs**

At the beginning of the year	20,888	15,542
Acquisition	0	5,346

**At the end of the year 20,888 20,888**

## Specification of the Company's participation in group companies

### Subsidiary

#### Industrial Solar GmbH

Voting share	100%	100%
Carrying amount	15,542	15,542

Of the acquisition cost, 15,283 represents previous shareholder contributions converted into equity.

### Subsidiary

#### Solar Spring GmbH

Voting share	100%	100%
Carrying amount	5,436	5,436

Of the acquisition cost, 3,230 represents previous shareholder contributions converted into equity.

<b>Note 9: Receivables from affiliated companies (in TSEK)</b>	<b>2021</b>	<b>2020</b>
<b>Parent company</b>		
Additional receivables	12,793	1,011
Settled receivables	0	0
Converted to shareholder contribution	-11,875	0
<b>At the end of the year</b>	<b>918</b>	<b>1,011</b>

<b>Note 10: Other disclosures to the cash flow statement (in TSEK)</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>		
Exchange rate differences	-105	-364
Depreciation and amortisation	848	730
Total	743	366
<b>Parent Company</b>		
Exchange rate differences	54	0
Total	54	0

<b>Note 11: Pledged assets and contingents liabilities (in TSEK)</b>	<b>2021</b>	<b>2020</b>
<b>Group</b>		
For liabilities to credit institutions		
Chattel mortgages	50	50
<b>Parent company</b>		
For liabilities to credit institutions		
Chattel mortgages	50	50

## Note 12: Significant events from the end of the financial year

There have been no significant events from the end of the financial year until now.

# 15 Independent Auditor Report

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## AUDITOR'S REPORT

To the general meeting of the shareholders of **Clean Industry Solutions Holding AB (publ)**  
Corporate identity number 559110-3972

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of Clean Industry Solutions Holding AB (publ) for the year 2021-01-01—2021-12-31.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and group as of 31 december 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

#### Basis for Opinions

We I conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Information other than the annual accounts and the consolidated accounts

This document also contains information other than the annual report and consolidated accounts and can be found on pages 4-20. The Board of Directors and the Managing Director are responsible for this other information.

Our statement regarding the annual accounts and consolidated accounts does not include this information and we do not make a statement confirming this other information.

In connection with our audit of the annual accounts and the consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially incompatible with the annual accounts and the consolidated accounts. In this review, we also take into account the knowledge we otherwise acquired during the audit and assess whether the information otherwise appears to contain significant inaccuracies.

If, based on the work that has been done regarding this information, we conclude that the other information contains a material error, we are obliged to report this. We have nothing to report in that regard.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or mistake.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or mistake, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or mistake, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from mistake, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates related disclosures made by The Board of Directors and the Managing Director.
- Conclude on the appropriateness of The Board of Directors and the Managing Director use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty

exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts, or if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated

accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of The Board of Directors and the Managing Directors of Clean Industry Solutions Holding AB (publ) for the year 2021-01-01—2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss are based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Upplands Väsby 2022-04-29

Finnhammars Revisionsbyrå AB

DocuSigned by:

Jonas Forsberg  
2785480DC314415  
Jonas Forsberg

Authorized Public Accountant



## 16 News after the Reporting Period

### **Directed share issue registered with Bolagsverket**

Clean Industry Solutions Holding Europe AB's ("CISH") recent directed share issue has been registered with Bolagsverket. The directed share issue increases the number of outstanding shares and votes by 3,125,000 shares to 15,313,792 shares. The share capital increases by SEK 307,514.92 to SEK 1,506,950.18, corresponding to a dilution for existing shareholders of approximately 20.4% of the number of shares and votes in the Company.

### **SolarSpring Ships First Solar Powered Drinking Water System to Burkina Faso**

SolarSpring's ECO 3000 drinking water system ordered by investor and operator Eau Propre d'Afrique SARL and financially supported by the climate protection organization atmosfair GmbH was shipped to Burkina Faso on 21 January and awaits installation on arrival. SolarSpring GmbH had received the order for the water purification system in the amount of 48,200 € from Eau Propre d'Afrique SARL in August 2021.

### **Clean Industry Solutions Holding Europe AB appoints Lago Kapital as liquidity provider**

Clean Industry Solutions Holding Europe AB has entered into a Liquidity Providing Agreement with Lago Kapital Ltd. Liquidity providing with the company share will commence on 2/2/2022.

According to the agreement Lago Kapital will quote bids and offers within the framework of Nasdaq First North rules for liquidity providing. The intention is to promote liquidity in the share.

### **CEO of CISH AB presented at Aktiespararna's Sustainable Investments Day on Monday, 07 February 2022**

Christian Zahler, CEO of Clean Industry Solutions Holding Europe AB, attended the Sustainable Investments Day (Hållbara investeringar dag) hosted by Aktiespararna to inform shareholders. The event highlighted how investments can help companies like Clean Industry Solutions make the world a better place. Christian Zahler informed about the company's latest developments and how investments can change the industry and support clean energy solutions.

### **Industrial Solar GmbH signs engineering contract with KEBE S.A.**

On 14 February, Industrial Solar GmbH received an engineering order to provide a detailed design for a Fresnel collector installation at KEBE S.A. factory, a leading roof tile and clay brick manufacturer located in Kilkis, Greece. The contract volume amounts to 22,000 €.

In a joint effort with KEBE S.A., Industrial Solar is provided the opportunity to investigate the potential market for solar process heat systems in the Greek market – specifically in the roof tile and clay brick manufacturing facilities.

Throughout the study, Industrial Solar is going to provide KEBE S.A. with a techno-economic

feasibility along with an administrative overview on implementing its solar process heat solutions.

### **SolarSpring will provide key system element in public funded wastewater treatment project**

The subsidiary of Clean Industry Solutions Holding Europe AB, SolarSpring, is a member of the consortium of the R&D project RoKka. RoKka is funded by the EU and the state of Baden-Württemberg. The project aims at rebuilding wastewater treatment plants into wastewater biorefineries by generating valuable products and making the processes economically viable and eco-friendly. SolarSpring will be providing a key system element. The support for SolarSpring amounts to 242,600 € with a funding rate of 80%.

### **SolarSpring closes sales contract for an MD pilot system to be used in industrial water recycling project**

Clean Industry Solutions' subsidiary SolarSpring, a pioneer in the field of membrane distillation offering innovative waste- and drinking water treatment technology, has closed a sales contract for a membrane distillation pilot unit with a volume of 40,868.40 €. The unit was sold to Aquas Industriales de Tarragona S.A. and will be used for industrial wastewater recycling within the EU funded project ULTIMATE.

### **Industrial Solar completes commissioning of a micro-CSP system in Qatar**

Clean Industry Solutions Holding Europe AB's subsidiary Industrial Solar completed the commissioning of a solar thermally driven Organic Rankine Cycle Turbine in Doha, Qatar. The showcase project is an upgrade for a Fresnel Collector built in 2013 at the Qatar Environment and Energy Research Institute Testing Facility (QEERI).

### **Industrial Solar GmbH awarded a contract to install photovoltaic system with approx. 100 kWp**

On 20 April, Industrial Solar GmbH won a tender published by "Vermögen und Bau Baden-Württemberg, Amt Mannheim und Heidelberg, Dienstsitz Mannheim" (Mannheim Office for Assets and Construction Management in Baden-Wuerttemberg) for installation of a photovoltaic system with 99.75 kW peak power. The total volume of the project amounts to approx. € 86,550 net.

## 17 Outlook, Risk and Uncertainties

### Projects

Industrial Solar: For Industrial Solar, the two Horizon 2020 projects Ship2Fair and Friendship and the four nationally funded projects SunBeltChiller, GIZ Contracting, Modulus, Artificial Intelligence for CST and JOSSI with a total funding volume of up to 2.74 m€ are a strong support in the coming years.

Due to war in Ukraine and the resulting price increase of fossil fuels Industrial Solar is currently experiencing a drastically increased demand for its renewable energy solutions – both from the national home market and the international target markets.

SolarSpring: SolarSpring has currently four ongoing nationally funded R&D projects, namely HaSiMem, BrineMine and SERPIC with a total funding volume of about 570 k€.

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 major risk and uncertainties still derive from the direct (international travel for sales and project implementation) and indirect (investment constraints of clients) consequences of the COVID-19 pandemic.

The markets from our companies, Industrial Solar and SolarSpring, are still small but witness high growth. In such situations there is the risk of effects from new technical developments or shifted market focus due to changing policies.



## 18 Share Development

On December 31, 2021 the number of shares outstanding amounted to 15,313,792 and the company had around 1,601 shareholders.

Below table shows the 10 largest shareholder as of December 31, 2021.

<b>Largest Shareholders as of December 31, 2021</b>		<b>#</b>	<b>%</b>
1	Keith Charles Olsson	3125000	20,41
2	Joakim Byström	1144479	9,39
3	Christian Zahler	1120373	9,19
4	Fastighets AB Ponord	1003639	8,23
5	Tobias Schwind	954143	7,83
6	Avanza Pension	456515	3,75
7	Nordnet Pensionsförsäkring	278213	2,28
8	Tectus AB	277344	2,28
9	Anneli Sundberg Kanesco	75348	0,62
10	Håkan Borg	60555	0,50
	Other Shareholders	6818183	35,53
	<b>Total</b>	<b>15313792</b>	<b>100,00</b>

## 19 Financial Calender

The Board proposes that the loss for the year 2021 of TSEK 16,827 is brought forward. The annual shareholder meeting will take place on May 25, 2022 via video conference.

Annual Shareholder Meeting	25 May 2022
1. Quarterly Report	27 May 2022
2. Quarterly Report	26 Aug 2022
3. Quarterly Report	25 Nov 2022
4. Quarterly Report	24 Feb 2023

## 20 Statement from the Management

The Board of Directors and the Executive Board have considered and approved the Annual Report of Clean Industry Solutions Holding Europe AB for the fiscal year 01/01/2021 - 31/12/2021 today. The Annual 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 on 31/12/2021 and of the results of its operations and cash flows for the fiscal year 01/01/2021 - 31/12/2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein. We recommend that the Annual Report with its accompanying financial statements be adopted at the Annual General Meeting.

Stockholm, April 29, 2022



Finn Johnsson  
Chairman



Christian Zahler  
CEO and Board  
Member



Tobias Schwind  
Board Member



Markus Augustsson  
Board Member



Daniel Pfeifle  
Board Member



Olle Olsson  
Board Member



Jochen Lachnit  
CFO

**Clean Industry Solutions Holding Europe AB, c/o Win-Win Ekonomi AB, Palmfeltsvägen 21, 121 62  
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