



Clean Industry Solutions Holding Europe AB (publ) carries out a rights issue of units of approximately SEK 23 million

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SWITZERLAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA OR IN ANY OTHER JURISDICTION WHERE THE RELEASE, DISTRIBUTION OR PUBLICATION OF THIS PRESS RELEASE WOULD BE UNLAWFUL OR WOULD REQUIRE ADDITIONAL REGISTRATION OR OTHER ACTION.

The Board of Directors of Clean Industry Solutions Holding Europe AB (publ) (“Clean Industry Solutions” or the “Company”) has today, on 20 September 2022, with the support of the authorization of the Annual General Meeting on 25 May 2022, resolved to carry out a rights issue of a maximum of 15,313,792 units (“units”) consisting of shares and warrants of series TO 1 (“warrants”) of approximately SEK 23 million before issue costs (the “Rights Issue”). Each unit consists of one (1) new share and one (1) warrant. The subscription price amounts to SEK 1.50 per unit, corresponding to SEK 1.50 per share. Upon full exercise of all warrants issued in the Rights Issue, the Company may additionally raise approximately SEK 15.3-45.9 million before issue costs. In connection with the Rights Issue, the Company has received subscription commitments of approximately SEK 2 million and guarantee undertakings of approximately SEK 12.9 million, corresponding in total to approximately 65 percent of the Rights Issue. The proceeds from the Rights Issue will primarily be used to finance the growth of the subsidiaries and working capital for new customer projects. The Company also expects that the strengthened financial position, combined with increased market demand, will have a positive impact on discussions and negotiations with current and potential customers.

Background and motives

Clean Industry Solutions has noted an increased interest in the Company's solutions, largely due to the transition from gas to other energy sources that is currently underway in Europe. The Company believes that the changing demand of energy in the market due to external and environmental factors are beneficial to the business. The ongoing transition has been reflected in an increased volume of inquiries and orders for both subsidiaries, for both funded and commercial projects, regardless of the sector or technology. For instance, SolarSpring recently received a second EU grant for the deployment of its surface modified membrane materials, while Industrial Solar recently received an EUR 895,000 order from Losan Pharma GmbH.

To generate more resources for business development, growth and recruitment, the Board of Directors of the Company has decided to carry out the Rights Issue. The Rights Issue aims to strengthen the Company's financial position, enabling new projects, and contributing to the continued growth of its subsidiaries. The Company

also expects that the strengthened financial position, combined with an increased demand, will have a positive impact on discussions and negotiations with current and potential customers.

Use of proceeds

Upon full subscription in the Rights Issue, the Company will receive initial net proceeds of approximately SEK 19.4 million (after issue costs). The net proceeds are intended to be used for the following purposes, in order of priority:

- Financing the growth of the subsidiaries (approximately 35 percent)
- Working capital for the development of new customer projects (approximately 30 percent)
- Co-finance publicly funded R&D projects (approximately 15 percent)
- Initiate new collaborations and invest in joint ventures in target markets (approximately 10 percent)
- Invest in related/complementary technologies to broaden the Company's offering and product portfolio (approximately 10 percent)

Upon full subscription in the Rights Issue, and if all warrants are exercised for subscription of shares during October/November 2023, the Company can receive additional net proceeds of up to approximately SEK 43.9 million (after issue costs) to be used for the following purposes, listed in order of priority:

- Financing the growth of the subsidiaries (approximately 45 percent)
- Working capital for the development of new customer projects (approximately 30 percent)
- Invest in related/complementary technologies to broaden the Company's offering and product portfolio (approximately 25 percent)

Terms and conditions of the Rights Issue

The Board of Directors of Clean Industry Solutions has today on 20 September 2022, based on the authorization of the Annual General Meeting on 25 May 2022, decided to implement the Rights Issue in accordance with the following main conditions:

- The Rights Issue comprises a maximum of 15,313,792 units, each unit consisting of one (1) new share and one (1) warrant. In total, the Rights Issue comprises a maximum of 15,313,792 shares and a maximum of 15,313,792 warrants.
- Any person, who on the record date of 28 September 2022 is registered in the share register kept by Euroclear Sweden AB, has preferential rights to subscribe for units in the Rights Issue. One (1) existing share held on the record date entitles to one (1) unit right. One (1) unit right entitles the holder to subscribe for one (1) unit.
- The subscription price in the Rights Issue amounts to SEK 1.50 per unit, corresponding to SEK 1.50 per share. The warrants will be issued free of charge.
- The Rights Issue corresponds to a valuation of Clean Industry Solutions (pre-money) of approximately SEK 23 million.
- The last day of trading in the Company's share including the right to receive unit rights is 26 September 2022 and the first day of trading excluding the right to receive unit rights is 27 September 2022.
- The subscription period in the Rights Issue will run from and including 30 September until and including 14 October 2022.
- Trading in unit rights will take place on the Nasdaq First North Growth Market from and including 30 September 2022 until and including 11 October 2022.
- Trading in BTUs (Paid Subscribed Units) will take place on the Nasdaq First North Growth Market from and including 30 September 2022 until the Rights Issue is registered with the Swedish Companies Registration Office, which is expected to take place around week 44, 2022.
- The warrants will be admitted to trading on Nasdaq First North Growth Market after the Rights Issue has been registered with the Swedish Companies Registration Office.
- Clean Industry Solutions has received subscription commitments of approximately SEK 2 million and issue guarantees of approximately SEK 12.9 million, corresponding

in total to approximately 65 percent of the Rights Issue.

- Upon full subscription of units in the Rights Issue, the Company will initially receive approximately SEK 23 million, before deduction of issue costs, which are estimated to amount to approximately SEK 3.5 million, of which the underwriting compensation amounts to approximately SEK 1.6 million if all underwriters choose payment in cash. Upon full exercise of all warrants, the Company will receive a maximum additional amount of approximately SEK 45.9 million before deduction of issue costs, which are estimated to amount to a maximum of approximately SEK 2 million.
- Clean Industry Solutions expects to announce the outcome of the Rights Issue around 19 October 2022.

Terms and conditions of the warrants

Each warrant entitles the holder to subscribe for one (1) new share during the period from and including 26 October 2023 up until and including 9 November 2023 in return for a cash payment amounting to 70 percent of the volume weighted average price (VWAP) of the Company's share during the period from and including 9 October 2023 up until and including 23 October 2023, but not less than SEK 1.0 and not more than SEK 3.0 per share. Upon full exercise of all warrants, the Company will receive a maximum additional amount of approximately SEK 45.9 million before issue costs.

Warrants will be admitted to trading on Nasdaq First North Growth Market after the Rights Issue has been registered with the Swedish Companies Registration Office.

Subscription commitments and underwriting commitments

Clean Industry Solution has received subscription commitments of approximately SEK 2 million, corresponding to approximately 8.7 percent of the Rights Issue, from an existing main shareholder. No remuneration will be paid for the subscription commitment. In addition, the Company has received guarantee commitments from external investors of approximately SEK 12.9 million, corresponding to approximately 59.3 percent of the Rights Issue. The Company has received subscription commitments and underwriting commitments of approximately SEK 14.9 million in total, corresponding to approximately 65 percent of the Rights Issue.

For the underwriting commitments, an underwriting compensation of either twelve (12) percent of guaranteed amount in cash compensation or fifteen (15) percent of the guaranteed amount in units. Each underwriter can choose between underwriting compensation in cash or units. If the latter is chosen, the subscription price will correspond to the subscription price in the Rights Issue. The Board of Directors will resolve on a directed share issue to the underwriters that choose to receive underwriting compensation in units with the support of the same authorization that is used for the Rights Issue.

Share capital and number of shares

Upon full subscription in the Rights Issue, the number of shares in the Company will increase by 15,313,792 shares from 15,313,792 to 30,627,584 and the share capital will increase by approximately SEK 1,506,950.18 from approximately SEK 1,506,950.18 to approximately SEK 3,013,900.37, corresponding to a dilution effect of approximately 50.0 percent. Upon full exercise of all warrants issued in the Rights Issue, the number of shares will increase by an additional 15,313,792 shares and the share capital will increase by an additional SEK 1,506,950.18, to 45,941,376 shares and SEK 4,520,850.55 respectively, corresponding to an additional dilution effect of approximately 33.3 percent. In the event of full subscription in the Rights Issue and full exercise of the warrants, the number of shares will amount to 45,941,376 and the share capital will amount to SEK 4,520,850.55. The total dilution effect in the event of full subscription in the Rights Issue and full exercise of all warrants will thus amount to a maximum of approximately 66.7 percent.

Memorandum

The full terms and conditions of the Rights Issue and other information about the Company will be set out in the memorandum expected to be published no later than the day before the first day of the subscription period.

This disclosure contains information that Clean Industry Solutions Holding Europe is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 20-09-2022 18:16 CET.

Advisor

Corpura Fondkommission AB (www.corpura.se) is acting as financial advisor and Fredersen Advokatbyrå AB is acting as legal advisor to Clean Industry Solutions in connection with the Rights Issue. Aktieinvest FK AB is acting as issuing agent.

For more information:

Christian Zahler, CEO

Tel: +49 151 53811944

E-mail: christian.zahler@cleanindustriesolutions.com

Clean Industry Solutions Holding Europe AB holds 100% of Industrial Solar GmbH and 100% of SolarSpring GmbH - both located in Freiburg/Germany.

Industrial Solar GmbH is an internationally 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.

Find out more about Industrial Solar GmbH at the following address:

<https://www.industrial-solar.de/en/>

Founded in 2009 as a spin-off of the Fraunhofer ISE, SolarSpring GmbH - membrane solutions, has evolved into an international pioneer in the field of membrane distillation offering innovative waste- and drinking water treatment technology.

Find out more about SolarSpring GmbH at the following address:

<https://solarspring.de/en/>

Important information

The publication, release or distribution of this press release may be subject to restrictions in certain jurisdictions. Recipients of this press release in those jurisdictions where this press release has been published, disclosed or distributed should inform themselves of and observe any such restrictions. This press release does not constitute an offer of, or an invitation to acquire or subscribe for, any securities of Clean Industry Solutions in any jurisdiction.

This press release does not constitute an offer or invitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The information contained in this press release may not be released, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, in or into the United Kingdom, the United States, Canada, Japan, Australia, Hong Kong, New Zealand, South Africa, South Korea or any other jurisdiction where such release, publication or distribution would be contrary to applicable law or regulation. Within the European Economic Area, no securities are offered to the public in any country other than Sweden.

This press release contains certain forward-looking information that reflects the Company's current views on future events and financial and operational developments. Words such as "intends", "estimates", "expects", "may", "plans", "believes", "estimates" and other expressions which imply indications or predictions of future developments or trends, and which are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently subject to known and unknown risks and uncertainties because it depends on future events and circumstances. Forward-looking information is not a guarantee of future performance or development, and actual results may differ materially from those expressed in the forward-looking information.