

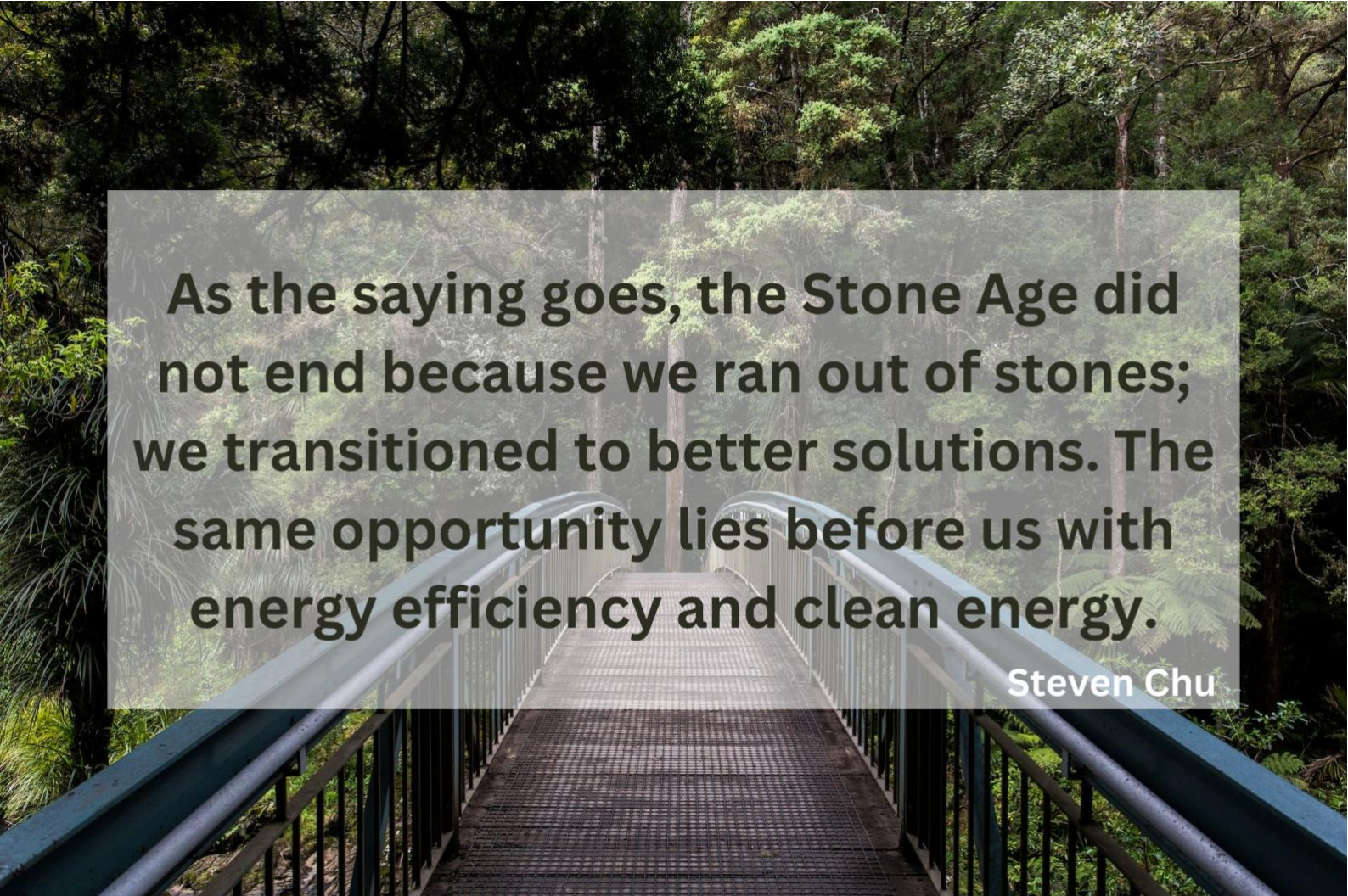


## Annual Report 2022

Prepared by

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





**As the saying goes, the Stone Age did not end because we ran out of stones; we transitioned to better solutions. The same opportunity lies before us with energy efficiency and clean energy.**

**Steven Chu**

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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 28, 2023, Board of Directors

Finn Johnsson	Chairman of the Board
Christian Zahler	Board member and CEO
Markus Augustsson	Board member
Daniel Pfeifle	Board member
Marie-Louise Olsson Dawwas	Board member
Korbinian Kramer	Board member

## 1 The Year in Brief

In 2022, the global focus was on the Russia-Ukraine conflict, which not only caused horrible human suffering, but also a disruption of global trade and a worldwide escalation of fuel prices, insecurity of supply and uncertainty for the future of production costs.

This crisis had an effect – which was probably not foreseen by Russian government: it reinforced Germany's and Europe's determination to get off fossil fuels entirely and to accelerate the clean energy transition. Renewable energies and how we can implement them into all aspects of life are increasingly pressing issues. Thus, political and institutional frameworks to most efficiently utilize renewable energy sources, like photovoltaics and solar thermal energy, are being implemented faster than estimated.

As a result, our subsidiary Industrial Solar experienced a strongly growing demand for its solutions – both on national and international level, for solar process heat systems as well as for photovoltaic systems.

Our other subsidiary SolarSpring also went through a dynamic first quarter and accomplished several milestones like the first delivery of a solar-powered drinking water system to Burkina Faso with financial support of atmosfair.

The subsidiaries' solutions were presented at international events in June: Industrial Solar presented its solutions to decarbonize the industry at the Libya Build International EXPO to inspire collaborations and partnerships with the Libyan solar energy solution seekers. SolarSpring was at the Water, Sewage, Waste, and Raw Materials Management Fair (IFAT) in Munich, where they presented their newest innovations, products, and services.

Both booths were frequented by the international community of business owners and other industrial decarbonization and clean water solution seekers. Participation in these events has resulted in great connections and an opportunity to network. The events have also confirmed the increasing interest of decision-makers in clean energy solutions.

In the third quarter, we conducted a rights issue – thank you again to everyone who subscribed to it! The proceeds will primarily be used to finance the growth of the subsidiaries and working capital for new customer projects. Our supporters' stakes give us a boost to implement our technologies in more parts of the world to accelerate carbon emission reduction – which is of utmost importance if we look back at the last summer months with soaring temperatures and heat records of up to 40°C in Germany, where our subsidiaries are located.

During Q4, Industrial Solar's photovoltaic team was busy with the installation of the several projects signed earlier in 2022.

Additionally, the increasing requests for the Fresnel Collector – Industrial Solar's flagship technology – make us also especially happy since we know how much added value it can contribute to the industry – both in regard to decarbonization as well as cost-effectiveness.

It seems that the time for our business model has finally come. As announced in Ursula von der Leyen's speech at the World Economic Forum in Davos, the Green Deal Industrial Plan aims to make Europe the global cleantech market leader. With regulations for realizing energy projects with solutions such as wind, heat pumps, solar, clean hydrogen, storage, and others being eased and financially supported, the energy transition will be accelerated. This shows that our mission as well as our portfolio of technologies and services align with the European climate vision and will be in high demand, and we are excited to contribute to this vision and support our customers with our expertise and diverse solutions.

More details on our activities are briefly summarized below.



## Market and Sales

Industrial Solar's thermal project portfolio was broadened through energy concept studies – consulting services for companies that want to decarbonize but need support in choosing the most suitable technology. For its flagship technology, Industrial Solar closed 4 design engineering projects for large Fresnel projects, which are key steps for implementing turnkey projects. The markets addressed were Greece, India, and Mexico. Several other projects are still in the pipeline.

The relatively new photovoltaic (PV) department experiences a huge demand in 2022, and several contracts were closed and plants implemented in Southern Germany, including the largest PV system to date for a pharmaceutical company.

The company offered a total of 131 solutions to prospective clients in 2022, which represents a turnover potential of € 247m. The main sectors addressed were Food and Beverage, Chemical, and Textiles, with Europe, MENA, and Latin America as the main markets.

Technology-wise, Industrial Solar's Fresnel collector was still the most requested one, although industrial and commercial PV plus systems took an accelerated pace during the year, reaching ~ 18% of all requests.

SolarSpring's purification plants in Burkina Faso and Congo were successfully installed and commissioned despite problems with the local company in Burkina Faso. Fortunately, the cooperation with Atmosfair has been strengthened and further projects are planned. The successfully completed preliminary studies in the metal processing industry led to a great demand for plants. The acid concentration and ammonium separation are particularly worth highlighting here.

## Business Development and Partnerships

Committing to our innovative Fresnel business model, Industrial Solar has participated in international exhibitions and cooperations such as AHK business trips in multiple markets of interest, a GLZ workshop in Jordan, and H&M climate initiatives in Turkey and Jakarta. In addition, Industrial Solar has established multiple strategic partnerships with local contractors and vendors in upcoming markets such as India, Greece, Jordan, Tunisia, Australia, and other countries.

Internally, the company's portfolio was expanded by developing complementary business models such as hybrid PV solutions, heat pumps, and low-temperature solar thermal systems addressing the commercial and industrial sectors in the growing German market, taking into consideration a high synergy level with our existing assets of engineering expertise and an established value chain.

Moreover, the energy concept studies that were implemented last year were further developed and validated with assessments concluded for large corporations looking for the best alternatives to reduce their carbon footprint. Furthermore, Industrial Solar has adopted a high level of flexibility in project contracts where we partnered up with venture capitals providing Heat-as-a-Service financial models to cater to a wider spectrum of investment demands. On the other hand, we maintained a solid cooperation channel with our supply chain of international suppliers for our systems' critical components.

SolarSpring's participation in the world water fair IFAT in Munich at a joint stand of the state of Baden-Württemberg was very successful and gave SolarSpring the opportunity to present itself to an international audience. At the same time, the open marketing position was filled and online activities were ramped up.

## Marketing

At the beginning of 2022, Industrial Solar GmbH created a Marketing Department. The mission of this new department is to increase awareness about the company and sales of solar systems (thermal and PV) to industries that want to decarbonize their processes.

The year has been used to set up an efficient structure for marketing activities. Industrial Solar turned its actions mainly towards digital marketing through the transformation of the website, its optimization for organic search on search engines, and the use of social networks (LinkedIn, Instagram, Twitter, Facebook). Target markets were identified, and the emphasis was put on measuring very precise digital KPIs (for example, conversion and engagement rates) and using remarketing tools. So instead of numerous one-shot campaigns, marketing measures are taken on a long-term basis with campaigns over time. The measures taken have yielded concrete results in terms of visibility and contacts made by potential customers. For example, the number of sessions on the website increased 5 times between January and December 2022, and the number of contacts increased in the same proportion.

Marketing synergies have been sought between the holding company Clean Industry Solutions and its two subsidiaries Industrial Solar and SolarSpring, for example, by using shared tools. The same marketing strategies have been implemented to better communicate the actions undertaken by the holding company and its subsidiaries to the shareholders. In comparison, for Clean Industry Solutions, the number of website visit sessions increased 10 times between January and December 2022.

Establishing the Marketing Department has brought a new level of focus and efficiency to Industrial Solar, setting the stage for future success.

## Technology

In the framework of the funded R&D project Modulus, Balance of Plant (BoP) units for concentrating solar systems are standardized and optimized for pre-fabrication. This project helps Industrial Solar to accelerate and simplify project implementation along with a significant cost reduction.

In a commercial project, we realized a photovoltaic (PV) fence with a total length of 433 meters with the technology of our partner Next2Sun Technology GmbH. This PV fence is the first of its kind to enclose an industrial company. The innovative project clearly demonstrates the ability of the PV fence technology to tap typically unused areas, such as the property boundary of a factory, for energy generation.

At SolarSpring, the initial phase of the membrane distillation module production set-up was completed. The first prototypes were delivered to a research institute in Spain. The company was working with its cooperation partner Deukum on resolving technical challenges step by step in order to get to series production.

## R&D

In 2022, Industrial Solar GmbH was granted one further R&D project on national level: In July, we received the grant agreement for the artificial intelligence project AuSeSol. The project is funded by the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, and comes as part of an AI-development initiative by “KI-Leuchttürme für Umwelt, Klima, Natur, und Ressourcen” regional ministerium department under the title AI-AuSeSol (AI-Methoden für die autarke und selbstoptimierende solare Energieerzeugung). The main goal of the project is to integrate AI-based tools in solar thermal systems for industries. Industrial Solar’s system operators in Jordan, Japanese Tobacco International (JTI), are participating in this project with their existing Fresnel system to achieve

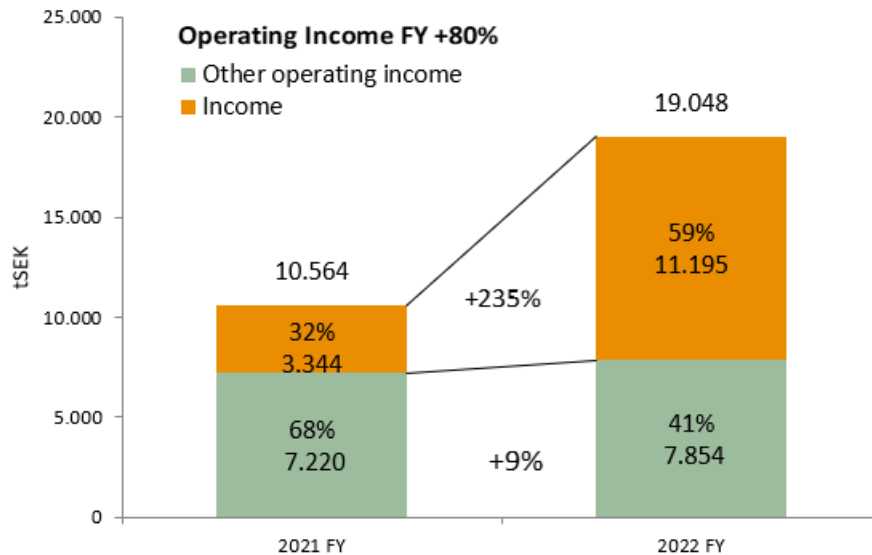
an AI-update by the end of the project as a demonstration. The funding volume for the 3-year project received by Industrial Solar amounts to 310k€.

For SolarSpring, two new EU-funded R&D projects were granted in 2022: The project MELoDIZER aims to increase resource efficiency and resilience in industrial processes and focuses on implementing high-performance membrane distillation (MD) in key industrial applications. Within the project SuperClean, SolarSpring and the consortium partners will work on the implementation and the upscaling of surface treatment techniques for creating superhydrophobic membranes. The funding volume for both projects received by SolarSpring amounts to 594k€.



## 2 Consolidated Key Figures

**FY 2022 from 01.01.2022 to 31.12.2022 (01.01.2021 to 31.12.2021)**



CISH AB Group RESULTS IN BRIEF   in TSEK	2022 FY	2021 FY	Diff. in %
Sales	9,810	2,180	+349.9
Increase in finished goods, inventories ;	1,385	1,163	+19.1
<b>Income</b>	<b>11,195</b>	<b>3,344</b>	<b>+234.8</b>
Other operating income	7,854	7,220	+8.8
<b>Operating Income</b>	<b>19,048</b>	<b>10,564</b>	<b>+80.3</b>
Cost of Sales	-8,086	-1,716	+371.2
Personnel Costs	-20,809	-15,547	+33.8
Other external expenses	-5,797	-6,438	-10.0
Other operating expenses	-133	-75	+77.3
Depreciation	-1,023	-848	+20.6
<b>Operating Costs</b>	<b>-35,848</b>	<b>-24,624</b>	<b>+45.6</b>
<b>Operating result (EBIT)</b>	<b>-16,799</b>	<b>-14,060</b>	<b>-19.5</b>
Financial result	-72	-84	+14.7
Profit (+) / loss (-) after financial items	-16,871	-14,144	-19.3
Taxes	-1	-1	+2.8
<b>Profit (+) / loss (-) after taxes</b>	<b>-16,872</b>	<b>-14,145</b>	<b>-19.3</b>
Number of Shares	25,497,762	15,313,792	+66.5
Result per share amounted (in SEK)	-0.6617	-0.9237	+28.4
Number of Shares after dilution	25,497,762	15,313,792	+66.5
Result per share amounted (in SEK)	-0.6617	-0.9237	+28.4
Average Number of outstanding Shares	25,497,762	13,751,292	+85.4
Result per share amounted (in SEK)	-0.6617	-1.0286	+35.7
Cash available end of period	11,640	14,383	-19.1

CISH AB Group RESULTS IN BRIEF   in TSEK	2022	2021	Diff. in %
Operating Income	19,048	10,564	+80.3
Operating Costs	-35,848	-24,624	+45.6
Profit (+) / loss (-) after taxes	-16,872	-14,145	-19.3

### 3 Statement from the Chairman and CEO



*Finn Johnsson, Chairman of the Board*

2022 has been another turbulent year, with the Russian invasion of Ukraine providing yet another crisis to Europe. The war has exposed Europe to their dependencies on foreign energy resources, which has become a wake-up call for businesses and industries to increase their self sufficiency and decrease their reliance on Russian gas. This proved to be an excellent opportunity for renewables including CISH's subsidiaries. Industrial Solar has received their highest volume of orders for turnkey installations and have undergone a significant restructuring

to meet this demand across Europe and the world.

These projects have been consistent throughout the year, and despite the results not realizing as quickly as one may prefer, innovation requires time and patience. Unforeseen risks, complications and complexities are always likely to arise, but the subsidiaries are working closely with both their clients and partners to find the optimal solution. The rights issue in 2022 was a strategic decision allowing us to build up the necessary resources to realize these complex projects. This gave CISH the time it needs to develop the required solutions which we are convinced will bear fruit in 2023.



*Christian Zahler, CEO*

The growing need for sustainable industrial solutions is clearer than ever. As global markets are moving from crisis to crisis, it is critical for businesses to increase their self-sufficiency whether it is in water and resource recovery or energy generation. This has been directly reflected in the increased demand in our solutions and services in various sectors and applications.

The subsidiaries have managed to anticipate this growing need by restructuring themselves to better address the various industrial sectors and their specific needs. By doing so, different departments are able to consolidate their know-how and focus on their value proposition, whilst at the same time allowing the companies to maintain their diverse business models to address this growing demand.

Industrial Solar for example, which has faced an expected surge in demand for photovoltaic installations in Germany, now operates with a separate R&D department to ensure that the company is always on the forefront of innovation, whether this is in the field of sector coupling, hybridization, or artificial intelligence. This added value can then benefit the other departments with increased know-how to strengthen their position and improve their solutions and services, whilst allowing them to focus specifically on their targets, both in established markets such as with photovoltaics, or the company's innovative flagship technology such as the Fresnel Collector.

The companies have used the time in 2022 to review their resources and are now able to meet the current and future demands by positioning themselves in a position for growth and realizing larger projects in the process.

## 4 Our Solutions in Practice – A Spotlight on Ultrapure Water Generation for Green Hydrogen Production

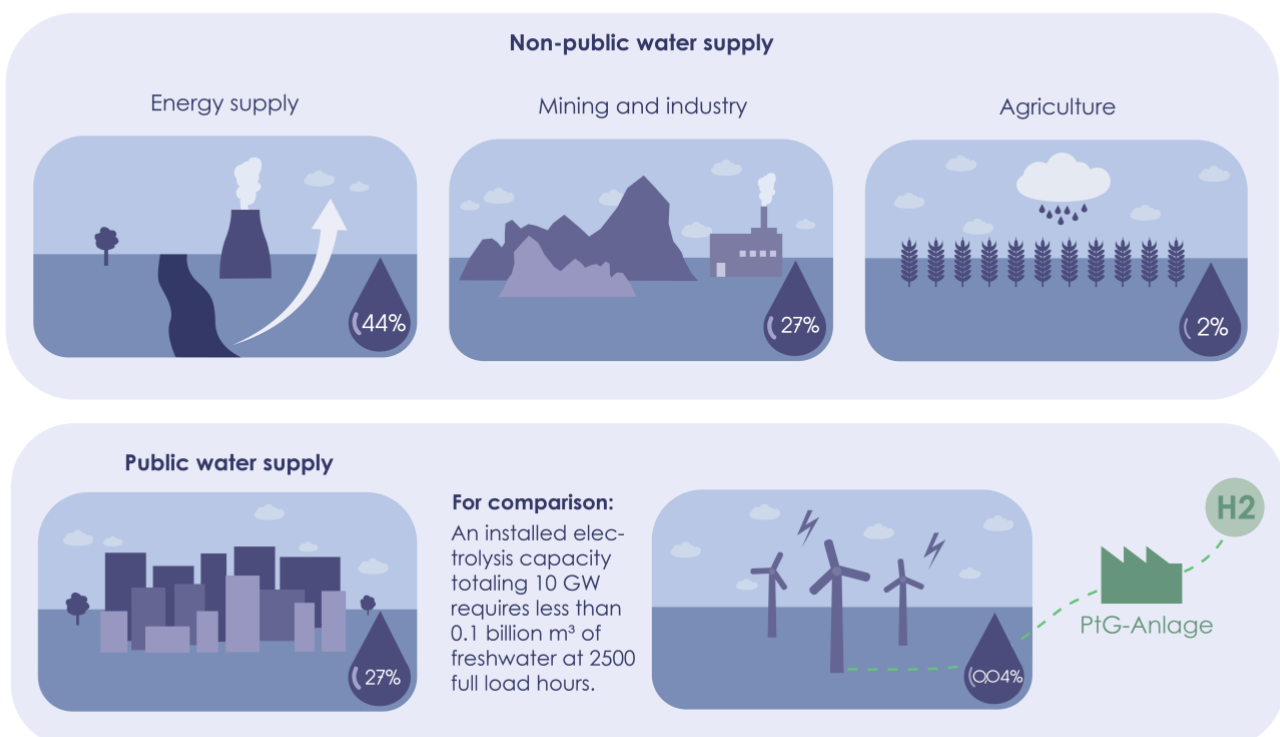
As a climate-neutral energy carrier, green hydrogen is a crucial component of the energy transition. To produce it, you need renewable electricity and water, which is broken down into its elementary components oxygen and hydrogen ( $H_2$ ) by means of electrolysis. This process is also called 'Power to Gas' (PtG).

Green hydrogen is  $CO_2$ -neutral. It is produced by splitting water into hydrogen and oxygen using electricity from renewable energy sources for example from offshore wind power stations. The hydrogen is captured and used, while the oxygen is released as a by-product when it is not needed on-site. The splitting process used is known as hydrogen electrolysis and is a state-of-the-art technology.

But where does the ultrapure water come from which is required for hydrogen production? How much water is needed to produce green hydrogen and are there sufficient resources?

Especially in times of climate change and more noticeably dry periods, there is a growing concern about available water resources. The question arises as to how much of it is needed to produce green hydrogen, and whether these quantities could end up resulting in a shortage of water resources needed for other purposes – for example, for the production of drinking water. Luckily, compared to other sectors such as energy production, mining, agriculture or public drinking water supply, green hydrogen production only requires a very small fraction of the total water usage. Nonetheless, with the expectation of increasing water stress in the years to come, we should take a closer look at the feasibility of making ultrapure water generation for hydrogen production as sustainable as possible.

### Water supply in various sectors in Germany in 2019 (In %)



We now know that the production of green hydrogen essentially requires two ingredients: Renewable energy and water. Both photovoltaic systems and wind farms on land or at sea can be used as power sources. Depending on the location of the electrolyzer, a distinction is made between two types of production namely: onshore and offshore.

**Onshore:** If the electrolyzer is located on land and draws renewable electricity from neighboring wind or solar plants. Water sources include surface water and groundwater, as well as treated wastewater. Treated drinking water should not be used for these purposes.

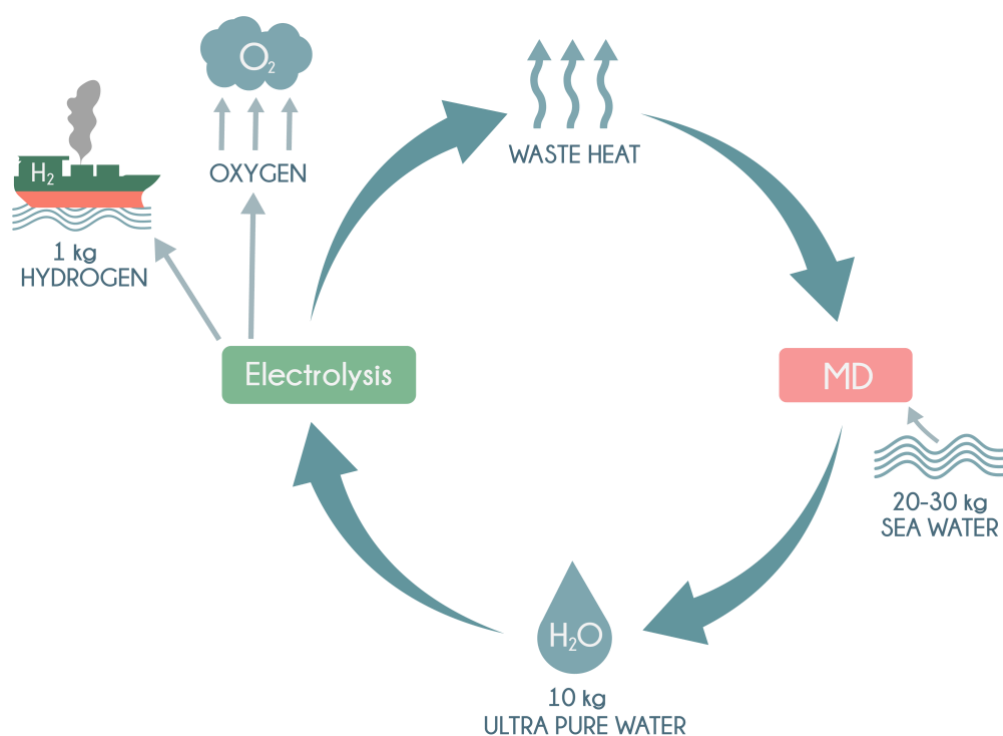
In North Europe, natural freshwater sources are generally available for this purpose. However, there are regions where, due to climate change, dry periods and droughts are becoming more frequent, resources are becoming scarcer, and conflicts of use more likely. Depending on the location of the PtG plant and its distance from the coast, desalinated seawater can be used as an alternative – provided that the local conditions and legal regulations allow this.

Offshore wind farms can be used as a power supply for green hydrogen production in two ways: Either the energy can be transported via power lines and connected to an electrolyzer onshore, or the PtG plant can be installed offshore together with the wind farm and draw the renewable electricity at its source. Seawater is then desalinated on site and processed for electrolysis. Depending on the distance of the wind farm from the coast due to the challenges of operating technology at sea, it can be cheaper to transport the electricity to the mainland and operate an onshore electrolyzer. According to the Offshore Wind Energy Foundation, depending on the location, a combination of both forms of connection can also be the most beneficial scenario.

Next, let us assess the actual amounts of water required per kg of H<sub>2</sub>.

For every kilogram of green hydrogen, 10 liters of ultrapure water are needed.

Unlike in other processes, such as cooling in power plants, electrolyzers use water as a raw material and convert it into other products. Moreover, part of the raw water used for ultrapure water generation remains as a concentrate, the contents of which depend on the water source used. Depending on the water source and considering the possible recovery ratio, the required raw water amounts to approximately 12-30 liters per kilogram of hydrogen produced.





As an example, assuming an installed electrolysis capacity of 10 GW and an operation for 2500 full load hours per year, between 6 and 7 million m<sup>3</sup> of ultrapure water are required annually. This corresponds to 7 to 9 million m<sup>3</sup> of fresh water extracted from natural resources. However, if one-third of the electrolysis capacities are installed offshore, the onshore water demand is reduced accordingly by about 2 to 3 million m<sup>3</sup>.

Thus, it seems fair to conclude that water management is going to determine a significant part of the green hydrogen strategy and membrane distillation is going to be a part of it.

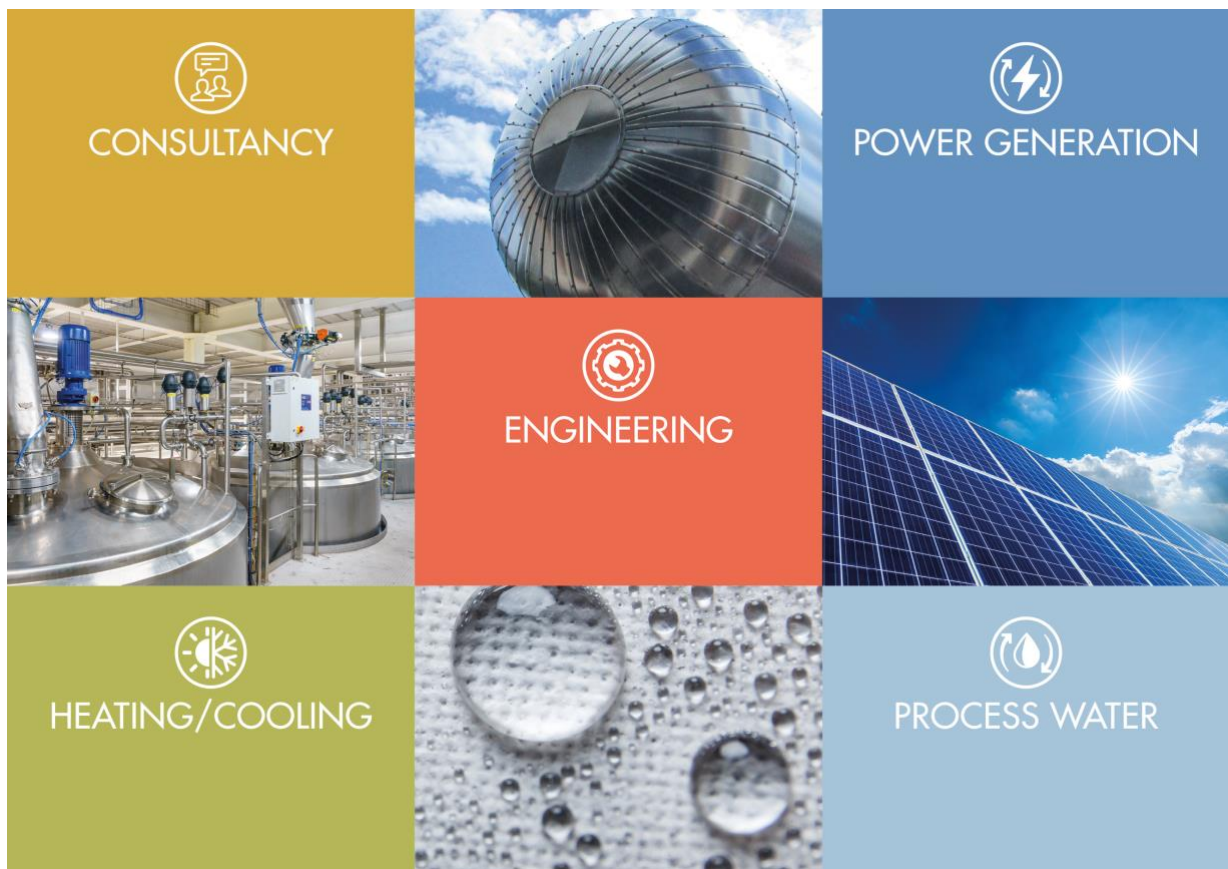
Membrane distillation runs on low-grade waste heat, and hydrogen electrolysis produces enough waste heat to cover the entire ultrapure water generation when using this technology. Using waste heat to generate the necessary ultrapure water means that an even higher fraction of the overall required energy is utilized, thereby increasing the overall efficiency of the process and further reducing emissions. Membrane distillation also provides flexibility in determining the level of water recovery from the raw water source and can easily handle dynamic operational conditions such that are typically present when using renewable energy sources. Membrane distillation technology can produce ultrapure water from surface water, seawater or wastewater followed by a polishing step making it a perfect match for green hydrogen production.

## 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 2022

### **Directed Share Issue Registered with the Bolagsverket**

Clean Industry Solutions Holding Europe AB's directed share issue was registered with Bolagsverket on 14 January 2022. 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.

The SolarSpring ECO 3000 solar powered drinking water system has a capacity of 3 m<sup>3</sup>/hour and is the first of many systems to be supplied to Burkina Faso within the upcoming years. An entirety of 6 km of piping was laid in preparation to the delivery in order to connect the system with its 5 distribution points. At each of these water access points, water can be drawn by use of a smart card and a card reader system, ensuring a fair distribution of the clean drinking water. This and the following ECO 3000 systems will be installed, operated and serviced by the partner Eau Propre d'Afrique SARL.

### **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 commenced 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 highlights how investments can help companies like Clean Industry Solutions make the world a better place.

### **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 Kilis, 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 Provides Key System Element in Public Funded Wastewater Treatment Project**

SolarSpring became 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**

During the first week of April, 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). Already in 2013 Industrial Solar installed a Fresnel collector string for the solar test facilities of QEERI with the purpose of conducting doctorate level research on heat generation through solar Fresnel concentrators as well as different operational strategies for charging and discharging of heat storage vessels.

In this upgrade project Industrial Solar was responsible for the engineering, installation and integration of an ORC (Organic Rankine Cycle) turbine - including hydraulic, electrical and controls - into the existing Fresnel collector system.

## **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 system consisting of 266 modules with an installed inverter capacity of 75 kW is designed for self-consumption with a surplus feed-in. The construction will begin in summer 2022 and the contract volume is approx. € 86,550 net.

## **Clean Industry Solutions Holding Europe AB Presents New Website**

Evolving and improving to better cater to its supporters' needs, Clean Industry Solutions Holding Europe AB renewed its website design and reintroduces the website now also in Swedish and German. The redesign and language expansion will support CISH's increasing communication efforts and also makes it easier for Swedish and German investors to access the CISH shares.



## **Clean Industry Solutions Holding Europe AB Updates Financial Calendar of 2022**

Clean Industry Solutions Holding Europe AB updates its financial calendar 2022. First, the planned publication of the first quarterly report 2022 is changed to 24 May 2022 from previously 27 May 2022. Second, the publication date of the second quarterly report is changed to 17 August 2022 from previously 26 August 2022.

## **Bulletin from Clean Industry Solutions Holding Europe AB Annual General Meeting 2022**

The annual general meeting of Clean Industry Solutions Holding Europe AB was held on Wednesday, 25th of May, 2022, by postal voting.

According to the proposal of the nomination committee, Marie-Louise Olsson Dawwas and Korbinian Kramer were elected new board members, whereas Olle Olsson and Tobias Schwind left the board.

## **Industrial Solar Awarded €310K for Artificial Intelligence Project for Solar Energy Systems**

Industrial Solar GmbH has been awarded € 310,000 to partake in a €3M Artificial Intelligence (AI) development project as part of an R&D consortium. The project is funded by the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, and comes as part of an AI-development initiative by “KI-Leuchttürme für Umwelt, Klima, Natur, und Ressourcen” regional ministerium department under the title AI-AuSeSol (AI-Methoden für die autarke und selbstoptimierende solare Energieerzeugung).

The main goal of the project is to integrate AI-based tools in solar thermal systems for industries. As such, industrial partners such as Industrial Solar are contributing to this joint effort, to bring AI-knowledge to real-life industrial operations.

Upon the completion of the project, the developed AI tools will be integrated into existing operational CST systems such as the Fresnel system in Amman on JTI’s factory roof.

## **Industrial Solar Gives Advanced Training on Linear Fresnel Collector**

Since Industrial Solar has a strong worldwide track record in implementing solar thermal systems – particularly its Linear Fresnel Collectors –, it was invited to SOLTRAIN (Southern African Solar Thermal Training and Demonstration Initiative) to teach about Linear Fresnel Collectors on the 4th and 5th of July at Stellenbosch, South Africa. SOLTRAIN started in 2009 as a cooperation among Botswana, Lesotho, Mozambique, Namibia, South Africa, and Zimbabwe – the SADC countries. It is a regional program funded by the Austrian Development Agency and OFID and works to build capacity and demonstrate solar thermal systems in the Southern Africa Development Community (SADC).

## **Industrial Solar to Reduce Carbon Footprint in Fashion Industry**

Industrial Solar GmbH signed an agreement for an engineering study, the first phase of implementing a concentrating solar collector into the textile production of one of the biggest H&M textile suppliers, Arvind Ltd., in India. The order value of the design engineering amounts to 46k€. The planned collector field will have a capacity of almost 8.6 MWth and cover an area of 20,000 m<sup>2</sup> to produce saturated steam at 9 bars.

## **Recently Funded Artificial Intelligence Project Gets Official Recognition by German Federal Ministry**

Earlier this month, Industrial Solar GmbH, a subsidiary of CISH, was awarded € 310,000 to partake in a €3M Artificial Intelligence (AI) development project as part of a research and development consortium. Shortly after the project was funded, Industrial Solar received an official recognition certificate from the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety, and Consumer Protection. The certificate confirms that Industrial Solar's contribution is officially recognized, and the selection process for the funding awards was highly competitive for innovative AI applications for climate protection. The project, titled AI-Methoden für die autarke und selbstoptimierende solare Energieerzeugung (AI methods for self-sufficient and self-optimizing solar power generation), is one of the 28 projects that received funding.

## **Industrial Solar and badenovaWÄRMEPLUS Cooperate to Accelerate Energy Transition**

Clean Industry Solutions' subsidiary Industrial Solar GmbH received an order for a photovoltaic system from badenovaWÄRMEPLUS GmbH & Co. KG, which is a promising start for a possible long-term cooperation between the two parties. The order has a net volume of 26k€ and is planned to be realized this year in November. The installation is a crucial step for both companies to accelerate the energy transition in southern Germany.

## **SolarSpring Receives Grant Award for EU Funded Project to Implement Membrane Distillation in Industrial Processes**

A grant amount of 7,007,474.00 € was awarded to the project consortium MELoDIZER, consisting of 18 partners from 12 different countries, of which Clean Industry Solutions' subsidiary SolarSpring GmbH is a partner. The project aims to increase resource efficiency and resilience in industrial processes and focuses on implementing high-performance membrane distillation (MD) in key industrial applications. Total funding of 230,125 € with a funding rate of 70% will be assigned to SolarSpring to design and build an MD system targeting resource recovery and wastewater reduction in the textile and food and beverage industry.

## **Industrial Solar Signs Contract for Trainings on Industrial Energy Efficiency**

Industrial Solar was awarded a contract for trainings on industrial energy efficiency within the scope of the UNDP CEDRO 5 project, co-funded by the European Union. The total project volume is 46.9 kUS\$ and the project will be implemented in Lebanon in cooperation with eeaser GmbH (Germany) and FRENOP UG (Germany) within the next four months.

## **Industrial Solar Receives Order for Photovoltaic Fence at Hydro Extrusion Offenburg GmbH**

Industrial Solar GmbH, a technology and solution provider of tailor-made solar energy solutions for solar heat and energy supply for industrial processes, has received an order with an order value of 191 k€ for the design and installation of a photovoltaic fence from Hydro Rein Energy Solutions Germany GmbH. The fence, produced by Next2Sun GmbH, has a peak performance of 87 kWp and will be installed at Hydro Extrusions Offenburg GmbH, South Germany in October.

## **SolarSpring Receives a Second EU Grant Award for Testing and Implementation of Surface Modified Membrane Materials in Industrial Wastewater Treatment**

The project consortium of SuperClean has been awarded a total grant amount of € 2.97 m for their proposal on the implementation and upscaling of surface treatment techniques for creating superhydrophobic membranes. The consortium consists of 5 partners from 4 countries - Germany, Belgium, the Netherlands and Greece. SolarSpring will receive a grant amount of € 364,125 with a funding rate of 100% to test the modified membrane materials and implement them in full scale membrane distillation modules for pilot trials with different wastewaters.

## **Industrial Solar GmbH Signs Cooperation Agreement with Libyan Partners**

Industrial Solar has signed an agreement with WAFER Energy and Technology, and Dabussia General Contractors to work together to bring solar technologies and services to the country's growing industrial sector. The partnership will strengthen Industrial Solar's access to new markets and sectors as renewable technologies are gaining more traction globally, even in oil-rich countries such as Libya.

## **Industrial Solar Receives 895 kEUR Order for Photovoltaic System from Losan Pharma**

Industrial Solar GmbH has received an order from Losan Pharma GmbH with a total order value of 895 k€. The order includes three photovoltaic systems at two locations. At their site in Eschbach, two systems will be installed: One on a green roof with a module output of 68 kWp and one on a flat roof with a module output of 356 kWp. The third plant will be realized at their site in Neuenburg, on a flat roof with a module output of 239 kWp. The installation of all three systems is planned for the first half of 2023.

## **Industrial Solar Launches a Website with Refreshed Design and Content**

Industrial Solar launched a renewed website with a brand-new look and expanded content. The website reflects the company's growing portfolio and holistic approach to solar energy technologies with pages dedicated to photovoltaic applications while showcasing its experience in solar thermal energy on the references page. Overall, from design to content, a completely renewed website will enhance people's online experience of Industrial Solar.

## **Industrial Solar to install Photovoltaic System for f.q.b. gGmbH**

Industrial Solar has received an order from f.q.b. gGmbH for their nursery building in Freiburg. The photovoltaic system with a peak performance of 34.5 kWp will be mounted on a flat roof and has a total order value of 46 k€. The installation is planned for the first half of 2023.

## **Clean Industry Solutions Holding Europe AB (publ) Carries Out a Rights Issue of Units of Approximately SEK 23 Million**

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.

### **Clean Industry Solutions Holding Europe AB (publ) Publishes Memorandum for the Rights Issue**

Clean Industry Solutions Holding Europe AB (publ) ("Clean Industry Solutions" or the "Company"), on 28 September 2022, announced the information memorandum relating to the Company's upcoming rights issue of units of approximately SEK 23 million (the "Rights Issue").

### **The Subscription Period in Clean Industry Solutions Holding Europe AB's Rights Issue Begins**

On 30 September 2022, the subscription period began in Clean Industry Solutions Holding AB's (publ) ("Clean Industry Solutions" or the "Company") rights issue of units (the "Rights Issue"). The Rights Issue was resolved by the Board of Directors on 20 September 2022, with the support of the authorization from the Annual General Meeting on 25 May 2022. The subscription period runs until and including 14 October 2022.

### **High Customer Satisfaction with Industrial Solar's Fresnel Technology**

Industrial Solar interviewed JTI (Japan Tobacco International) in the 5th year of their Fresnel Collector system operation in Amman, Jordan, about their satisfaction with the Fresnel system. In the interview, JTI Jordan engineering manager Mr. Mohammad Swaiti emphasized how Industrial Solar's flagship technology has helped JTI to take an essential step toward a carbon-zero factory and cost reduction.

### **SolarSpring to Reduce CO2 Emissions and Recover Resources at Wastewater Treatment Plants with Smart Membrane Technology**

SolarSpring has developed a process capable of severely reducing CO2 emissions from municipal wastewater treatment plants by extracting ammonia from the digested waste. Not only is the ammonia removed from the wastewater, but it is also used to generate a highly nutritious fertilizer that can be distributed on farmland. Wastewater treatment plants benefit from a reduction in necessary aeration technology, an energy-consuming component of the plant, plus they have the opportunity of reducing their carbon footprint.



### **Clean Industry Solutions Holding Europe AB (publ) Presented at Aktieportföljen Live**

Clean Industry Solutions Holding Europe AB's (publ) ("Clean Industry Solutions" or the "Company") CEO, Christian Zahler, gave a company presentation at Aktieportföljen Live on 11 October 2022 at 11:50–12:10 CET. The presentation began with a description of the company, the demand for sustainable energy and water solutions and the market potential. The presentation ended with a Q&A.

### **Last Day for Subscription of Units in Clean Industry Solutions Holding Europe AB's (publ) Ongoing Rights Issue**

Friday, October 14, 2022, was the last day for subscription in Clean Industry Solutions Holding Europe AB's (publ) ("Clean Industry Solutions" or the "Company") ongoing rights issue of units of approximately SEK 23 million (the "Rights Issue"). The last day of trading in unit rights on Nasdaq First North Growth Market was 11 October 2022.

### **Industrial Solar Signed Letter of Commitment for a Project with an Order Value of approx. EUR 5 Million**

On 12 October 2022, Clean Industry Solutions' wholly owned subsidiary Industrial Solar signed a letter of commitment with KEBE S.A. ("KEBE"). This agreement is a decisive step towards the final comprehensive contract comprising the supply of a solar process heat system at KEBE's factory in Kilkis, Greece, with an order value of approx. EUR 5 million, as well as the market development and realization of specific projects with Industrial Solar's Fresnel technology.

### **SolarSpring Announced Partnership for Membrane Distillation Module Production**

After 12 months of joint development, SolarSpring GmbH, a pioneer in the field of membrane distillation, officially announced a cooperation with the company DEUKUM GmbH for the purpose of a specialized upscaled component production. The cooperation will lead to a significant reduction in production costs and the new production facility will have an initial capacity of 10,000 m<sup>2</sup> of module surface per year with further expansion potential.

### **Clean Industry Solutions Holding Europe AB (publ) announced outcome of the rights issue**

Clean Industry Solutions Holding Europe AB (publ) (the "Company" or "Clean Industry Solutions") announced the outcome of the rights issue of units, consisting of shares and warrants of series TO 1, which was announced by press release on 20 September 2022 (the "Rights Issue"). The Rights Issue has been subscribed for a total of approximately 65.0 percent, of which approximately 46.9 percent was subscribed for with the support of unit rights and approximately 5.8 percent was subscribed for without the support of unit rights. Approximately 12.3 percent was subscribed by underwriters. Through the Rights Issue, Clean Industry Solutions receives approximately SEK 14.9 million before deduction of issue costs. 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.

## **Clean Industry Solutions Holding Europe AB (publ) Carried out a Directed Issue of Units to Underwriters in Connection with the Completed Rights Issue**

Clean Industry Solutions Holding Europe AB (publ) (the "Company" or "Clean Industry Solutions") has completed the rights issue of units resolved upon by the Board of Directors of the Company on 20 September 2022 (the "Rights Issue"). In connection herewith, in accordance with the underwriting commitments that have been entered into and what has been previously communicated, a directed issue of units, consisting of shares and warrants of series TO 1, is carried out to those underwriters in the Rights Issue who have chosen to receive underwriting compensation in the form of new units in the Company (the "Renumeration Issue"). The subscription price in the Renumeration Issue is, through negotiations with the underwriters, set at SEK 1.5 per unit and payment is made through set-off of the underwriters' claims.

## **Last Day of Trading in BTU**

Clean Industry Solutions Holding Europe AB's (publ) ("Clean Industry Solutions" or the "Company") rights issue of units, which was resolved by the Company's Board of Directors on 20 September 2022, has now been registered with the Swedish Companies Registration Office.

The last day of trading in paid subscribed units (BTU) on Nasdaq First North Growth Market was on 7 November 2022 and stop day was on 9 November 2022. The new shares and warrants of series TO 1 were expected to be booked in each shareholder's VP account/depository on 11 November 2022.

## **Industrial Solar Received Purchase Order from Unilever**

Industrial Solar GmbH, a technology and solution provider of tailor-made solar energy solutions for solar heat and energy supply for industrial processes, has received a purchase order with an order value of 20 k€ from Unilever Mexico via its Mexican Partner Turbo Control. The order comprises a design engineering of a Solar process heat system based on Industrial Solar's LF-11 Linear Fresnel Collector. This study is the first step as part of a turnkey project with an order volume between 600 and 800 k€, aimed to be carried out by mid-2023.

## **SolarSpring GmbH Announced Change in Management**

Daniel Pfeifle, Managing Director of SolarSpring GmbH, has resigned from his position and will be taking on a new position from July 2023 onwards after successfully bringing forward and growing SolarSpring since 2016. He will remain on the Board of Directors of Clean Industry Solutions Holding Europe AB until the next Annual General Meeting.

Within SolarSpring, senior staff member and former research lead Rebecca Schwantes will be taking over the position of Chief Technology Officer. The new Managing Director will be instated after a transition phase for training and handover by the latest mid-2023.

## 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 -8,096 (-6,683 ) 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 -6,136 (-2,212 ) 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 -23,418 (-16,827) TSEK.

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

#### Corporate Group

<b>FINANCIAL OVERVIEW (IN TSEK)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Balance sheet total	27,371	27,294	31,313	12,000	16,957
Net turnover	9,810	2,180	2,018	827	2,197
Solidity	40%	56%	63%	34%	85%
Profit/loss after financial items	-16,871	-12,393	-13,523	-8,929	-2,058

<b>CISH AB Group</b>	<b>2022</b>				<b>2021</b>			
	<b>Share capital</b>	<b>Premium fund</b>	<b>Balanced result incl. result for the year</b>	<b>Total</b>	<b>Share capital</b>	<b>Premium fund</b>	<b>Balanced result incl. result for the year</b>	<b>Total</b>
<b>CHANGE IN EQUITY (in TSEK)</b>								
<b>Opening balance 01-01</b>	<b>2,699</b>	<b>51,822</b>	<b>-39,184</b>	<b>15,337</b>	<b>1,199</b>	<b>43,322</b>	<b>-24,927</b>	<b>19,594</b>
Unregistered share capital	-190			-190	1,500	8,500		10,000
New share issue		15,466		15,466				
Issue expenses		-2,875		-2,875				
Translation difference			209	209			-112	-112
Loss for the year			-16,872	-16,872			-14,145	-14,145
<b>At the period end</b>	<b>2,509</b>	<b>64,413</b>	<b>-55,847</b>	<b>11,076</b>	<b>2,699</b>	<b>51,822</b>	<b>-39,184</b>	<b>15,337</b>

## Parent Company

<b>FINANCIAL OVERVIEW (IN TSEK)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Balance sheet total	27,686	37,545	43,850	17,517	18,243
Net turnover	0	0	0	0	0
Solidity	84%	91%	94%	80%	44%
Profit/loss after financial items	-23,418	-16,827	-2,192	-829	-444

<b>CISHE AB</b>	<b>2022</b>				<b>2021</b>			
	<b>Share capital</b>	<b>Premium fund</b>	<b>Balanced result incl. result for the year</b>	<b>Total</b>	<b>Share capital</b>	<b>Premium fund</b>	<b>Balanced result incl. result for the year</b>	<b>Total</b>
<b>CHANGE IN EQUITY (in TSEK)</b>								
<b>Opening balance 01-01</b>	<b>2,699</b>	<b>51,822</b>	<b>-20,292</b>	<b>34,229</b>	<b>1,199</b>	<b>43,322</b>	<b>-3,465</b>	<b>41,056</b>
Unregistered share capital	-190			-190	1,500	8,500		10,000
New share issue		15,466		15,466				
Issue expenses		-2,875		-2,875				
Loss for the year			-23,418	-23,418			-16,827	-16,827
<b>At the period end</b>	<b>2,509</b>	<b>64,413</b>	<b>-43,710</b>	<b>23,212</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	64,412,752
- retained losses	-20,291,901
- loss for the year	-23,418,210
	<b>20,702,640</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)	20,702,640
	<b>20,702,640</b>



**Investments**

The investments of this year in the subsidiaries amount to 791 TSEK (641 TSEK), out of which 17 TSEK (45 TSEK) are for intangible assets and 774 TSEK (595 TSEK) for machinery & equipment.

**Important events during the financial year**

The war in Ukraine and the resulting increase in the price of natural gas led to a strong growth in demand for solar process heating systems as well as photovoltaic systems.

**Expected future development**

We assume that the price of natural gas will not return to pre-war levels and that this crisis has made it clear to everyone that energy independence is an important goal for business and industry. In this respect we expect demand for our solutions to continue in the long term.

Furthermore, climate change ensures that the demand to reduce CO<sub>2</sub> will get greater year after year, and the consequent rise in CO<sub>2</sub> pricing will cause a further rise in the cost of fossil fuels.

These two developments will lead to a continuation of the above-average growth at Industrial Solar. The Fresnel collector for industrial process heat applications, for which Industrial Solar has been best known, will benefit greatly from these 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 to continue.

In the last years, the going concern of the group partially depended on share capital increases. For 2023, we are confident that no additional cash will be required, but there is a risk that the expected amount from the exercise of warrants issued last year will be needed to offset deficits in cash flows from operating activities.

## 8 Consolidated Income Statement

<b>CISH AB Group</b>	<b>2022</b>	<b>2021</b>
<b>INCOME STATEMENT   in TSEK</b>	<b>FY</b>	<b>FY</b>
Sales	9,810	2,180
Increase in finished goods, inventories and wip	1,385	1,163
Other own work capitalized	0	0
<b>Income</b>	<b>11,195</b>	<b>3,344</b>
Other operating income	7,854	7,220
<b>Operating Income</b>	<b>19,048</b>	<b>10,564</b>
Cost of Sales	-8,086	-1,565
Personnel Costs 3, 4	-20,809	-15,547
Other external expenses 2	-5,797	-6,589
Other operating expenses	-133	-75
Depreciation	-1,023	-848
<b>Operating Costs</b>	<b>-35,848</b>	<b>-24,624</b>
<b>Operating result (EBIT)</b>	<b>-16,799</b>	<b>-14,060</b>
Financial result	-72	-84
Profit (+) / loss (-) after financial items	-16,871	-14,144
Taxes	-1	-1
<b>Profit (+) / loss (-) after taxes</b>	<b>-16,872</b>	<b>-14,145</b>

## 9 Consolidated Balance Sheet

<b>CISH AB Group   in TSEK</b>	<b>31.12.</b>	<b>31.12.</b>		<b>31.12.</b>	<b>31.12.</b>
<b>ASSETS</b>	<b>2022</b>	<b>2021</b>	<b>EQUITY AND LIABILITIES</b>	<b>2022</b>	<b>2021</b>
Other intangible assets 5	179	227	Share capital	2,509	1,199
Goodwill 6	710	1,025	Unregistered share capital	0	1,500
<b>Intangible fixed assets</b>	<b>889</b>	<b>1,252</b>	<b>Total restricted equity</b>	<b>2,509</b>	<b>2,699</b>
<b>Tangible fixed assets</b> 7	<b>2,612</b>	<b>2,480</b>	Share premium account	64,413	51,822
<b>Total fixed assets</b>	<b>3,500</b>	<b>3,732</b>	Loss carried forward	-39,184	-24,927
<b>Inventories</b>	<b>4,519</b>	<b>1,990</b>	Profit(+)/loss(-) for the period	-16,872	-14,145
Trade receivables	568	1,712	Translation Difference	209	-112
Accrued non-invoiced revenue	1,297	1,297	<b>Total non-restricted equity</b>	<b>8,566</b>	<b>12,638</b>
Other short-term receivables	4,044	1,512	<b>Total equity</b>	<b>11,075</b>	<b>15,337</b>
Deferred income	1,804	2,669	Liabilities to banks	6	85
<b>Current receivables</b>	<b>7,712</b>	<b>7,190</b>	Trade liabilities	547	1,117
<b>Cash &amp; Bank</b>	<b>11,640</b>	<b>14,383</b>	Payments received	3,762	2,511
<b>Total current assets</b>	<b>23,870</b>	<b>23,562</b>	Other current liabilities	1,971	1,947
<b>TOTAL ASSETS</b>	<b>27,371</b>	<b>27,294</b>	Accrued expenses & def. income	10,009	6,298
			<b>Total liabilities</b>	<b>16,295</b>	<b>11,958</b>
			<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,371</b>	<b>27,294</b>

## 10 Consolidated Cash Flow

<b>CISH AB Group   in TSEK</b>	<b>2022</b>	<b>2021</b>
<b>CASH FLOW</b>	<b>FY</b>	<b>FY</b>
<b>Operating activities</b>		
Profit/loss after financial items	-16,872	-14,145
Adjustments for items not included in cash flow	1,216 *	736
<b>Cash flow from operating activities before changes in working capital</b>	<b>-15,656</b>	<b>-13,409</b>
<b>Cash flow from changes in working capital</b>		
Change in inventories	-2,529	-1,513
Change in operating receivables	-522	-697
Change in operating liabilities	4,338	238
<b>Cash flow from changes in working capital</b>	<b>1,287</b>	<b>-1,972</b>
<b>Cash flow from operating activities</b>	<b>-14,369</b>	<b>-15,380</b>
<b>Investing activities</b>		
Investments in tangible fixed assets	-774	-589
<b>Cash flow from investing activities</b>	<b>-774</b>	<b>-589</b>
<b>Financing activities</b>		
New share issue	15,276 *	10,000
Issue expenses	-2,875 *	0
<b>Cash flow from financing activities</b>	<b>12,401</b>	<b>10,000</b>
<b>Cash flow for the year</b>	<b>-2,742</b>	<b>-5,969</b>
Cash and cash equivalents begin of period	14,383	20,352
Cash and equivalents end of period	11,640	14,383

\* adjustment compared to the Q4 report

## 11 Parent Company Income Statement

<b>CISHE AB   in TSEK</b>	<b>2022</b>	<b>2021</b>
<b>INCOME STATEMENT</b>	<b>FY</b>	<b>FY</b>
Other operating income	1,630	1,047
<b>Operating Income</b>	<b>1,630</b>	<b>1,047</b>
Personnel Costs	-1,424	-1,686
Other external expenses	-2,434	-4,186
Other operating expenses	-133	-75
<b>Operating Costs</b>	<b>-3,991</b>	<b>-5,947</b>
<b>Operating result (EBIT)</b>	<b>-2,360</b>	<b>-4,900</b>
Financial result	-21,058	-11,927
<b>Profit (+) / loss (-) after financial items</b>	<b>-23,418</b>	<b>-16,827</b>
Taxes	0	0
<b>Profit (+) / loss (-) after taxes</b>	<b>-23,418</b>	<b>-16,827</b>

## 12 Parent Company Balance Sheet

CISHE AB   in TSEK		31.12.	31.12.			31.12.	31.12.
ASSETS		2022	2021	EQUITY AND LIABILITIES		2022	2021
Financial assets	8	20,888	20,888	Share capital		2,509	1,199
<b>Total fixed assets</b>		<b>20,888</b>	<b>20,888</b>	Unregistered share capital		0	1,500
Loan to affiliated companies	9	0	0	<b>Total restricted equity</b>		<b>2,509</b>	<b>2,699</b>
Receivables from aff. comp.	9	184	919	Share premium account		64,413	51,822
Other short-term receivables		119	2	Loss carried forward		-20,292	-3,465
Deferred income		1,501	2,499	Profit(+)/loss(-) for the period		-23,418	-16,827
<b>Total current receivables</b>		<b>1,804</b>	<b>3,419</b>	<b>Total non-restricted equity</b>		<b>20,703</b>	<b>31,530</b>
<b>Cash &amp; Bank</b>		<b>4,994</b>	<b>13,238</b>	<b>Total equity</b>		<b>23,212</b>	<b>34,229</b>
<b>Total current assets</b>		<b>6,798</b>	<b>16,657</b>	Trade liabilities		1,524	421
<b>TOTAL ASSETS</b>		<b>27,686</b>	<b>37,545</b>	Other current liabilities		1,943	1,943
				Accrued expenses & def. income		1,007	952
				<b>Total liabilities</b>		<b>4,474</b>	<b>3,316</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,686</b>	<b>37,545</b>

## 13 Parent Company Cash Flow

CISHE AB   in TSEK		2022	2021
CASH FLOW		FY	FY
<b>Operating activities</b>			
Profit/loss after financial items		-23,418	-16,827
Adjustments for items not included in cash flow		21,112	11,875
<b>Cash flow from operating activities before changes in working capital</b>		<b>-2,306</b>	<b>-4,952</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables		1,616	1,347
Change in operating liabilities		1,158	523
<b>Cash flow from changes in working capital</b>		<b>2,774</b>	<b>1,869</b>
<b>Chash flow from operating activities</b>		<b>468</b>	<b>-3,082</b>
<b>Investing activities</b>			
Contributions to subsidiaries		-21,112	-11,875
<b>Cash flow from investing activities</b>		<b>-21,112</b>	<b>-11,875</b>
<b>Financing activities</b>			
New share issue		15,276	10,000
Issue expenses		-2,875	0
<b>Cash flow from financing activities</b>		<b>12,401</b>	<b>10,000</b>
<b>Cash flow for the year</b>		<b>-8,244</b>	<b>-4,958</b>
Cash and cash equivalents begin of period		13,237	18,195
Cash and equivalents end of period		4,994	13,237

## 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>2022</b>	<b>2021</b>
<b>Group</b>		
Finnhammars		
Auditservices	245,800	167,773
Total	245,800	167,773
Syntax (2022)/Dehmer & Partner (2021)		
Auditservices	74,866	71,009
Total	74,866	71,009
<b>Parent company</b>		
Finnhammars		
Auditservices	245,800	167,773
Total	245,800	167,773

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

<b>Average numbers of employees</b>	<b>2022</b>	<b>2021</b>
<b>Group</b>		
Male	38	25
Female	6	9
Whereof men	85%	73%

<b>Disclosure of gender in the compays management</b>	<b>Proportion Women</b>	<b>Proportion Women</b>
<b>Group</b>		
Board of Directors	20%	0%
Other Senior management	0%	0%
<b>Parent Company</b>		
Board of Directors	0%	0%

<b>Salaries and other remunerations (in TSEK)</b>	<b>2022</b>	<b>2021</b>
<b>Group</b>		
Board of directors and Managing director	1,757	2,053
Other employees	13,994	8,969
Total	15,751	11,021
<b>Parent company</b>		
Board of directors and Managing director	407	572
Other employees	0	0
Total	407	572
<b>Social security expenses</b>	<b>2022</b>	<b>2021</b>
<b>Group</b>		
Pension expenses, managing director and board members	0	0
Pension expenses other employees	2	2
Social security expenses	3,718	2,999
Total	3,720	3,001
<b>Parent company</b>		
Pension expenses, managing director and board members	0	0
Pension expenses other employees	0	0
Social security expenses	39	135
Total	39	135
<b>Note 4: Remuneration to senior management (in TSEK)</b>	<b>2022</b>	<b>2021</b>
<b>Group</b>		
Christian Zahler, Managing Director	835	835
Daniel Pfeifle, Managing Director	710	710
Jochen Lachnit, CFO	507	507
Total	2,053	2,053
<b>Parent company</b>		
Finn Johnsson, Chairman	170	171
Christian Zahler	47	71
Daniel Pfeifle	47	71
Marie-Louise Dawwas	0	0
Korbinian Kramer	0	0
Tobias Schwind	47	71
Olle Olsson	47	95
Markus Augustsson	47	71
Joao Gomes Board member	0	24
Total	407	572



**Note 5: Other intangible assets (in TSEK)****2022                      2021****Group****Accumulated acquisition costs**

At the beginning of the year 327 282

Acquisitions 17 45

At the end of the year 345 327

**Accumulated amortisation**

At the beginning of the year -101 -50

Amortisation during the year -65 -51

At the end of the year -166 -101

**At the end of the year 179 227****Note 6: Goodwill (in TSEK)****2022                      2021****Group****Accumulated acquisition costs**

At the beginning of the year 1,577 1,577

Acquisitions 0 0

At the end of the year 1,577 1,577

**Accumulated amortisation**

At the beginning of the year -551 -236

Amortisation during the year -315 -315

At the end of the year -866 -551

**At the end of the year 710 1,025****Note 7: Tangible fixed assets (in TSEK)****2022                      2021****Group****Accumulated acquisition costs**

At the beginning of the year 3,763 3,168

Acquisitions 774 595

At the end of the year 4,537 3,763

**Accumulated depreciation**

At the beginning of the year -1,283 -750

Depreciation during the year -642 -533

At the end of the year -1,925 -1,283

**At the end of the year 2,612 2,480****Note 8: Participation in group companies (in TSEK)****2022                      2021****Accumulated acquisition costs**

At the beginning of the year 20,888 20,888

Acquisition 0 0

**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>2022</b>	<b>2021</b>
<b>Parent company</b>		
Additional receivables	21,285	12,793
Settled receivables	0	0
Converted to shareholder contribution	-21,106	-11,875
<b>At the end of the year</b>	<b>179</b>	<b>918</b>

<b>Note 10: Other disclosures to the cash flow statement (in TSEK)</b>	<b>2022</b>	<b>2021</b>
<b>Group</b>		
Exchange rate differences	193	-105
Depreciation and amortisation	1,023	848
<b>Total</b>	<b>1,216</b>	<b>743</b>
<b>Parent Company</b>		
Decrease in Shares in Subsidiaries	21,112	11,875
<b>Total</b>	<b>21,112</b>	<b>11,875</b>

<b>Note 11: Pledged assets and contingents liabilities (in TSEK)</b>	<b>2022</b>	<b>2021</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



## AUDITOR'S REPORT

To the general meeting of the shareholders of **Clean Industry Solutions Holding Europe 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 Europe AB (publ) for the year 2022-01-01—2022-12-31.

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 2022 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 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.

#### Material uncertainty related to going concern

We would like to draw attention to the management report, section Expected future development, in the financial reports. It is stated here that the company and the group have historically been dependent on increases in the share capital for their survival and that this may also be the case in the coming financial year and that the liquidity from previously issued warrants may be needed to cover deficits in the cash flow from the ongoing operations. According to what is stated in the management report, these conditions indicate that there is a material uncertainty factor that may lead to significant doubt about the company's ability to continue operations, but the board has made the assessment that these measures will be sufficient to ensure the going concern. We share this assessment and have not modified our statement because of this.

#### 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 4-22. 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 Europe AB (publ) for the year 2022-01-01— 2022-12-31 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 2023-04-28

Finnhammars Revisionsbyrå AB

DocuSigned by:

Jonas Forsberg

Authorized Public Accountant

## 16 News after the Reporting Period

### **Industrial Solar to Install Another Photovoltaic System for f.q.b. gGmbH**

After the successful installation of a photovoltaic rooftop system for f.q.b. gGmbH on their nursery in January of this year, Industrial Solar GmbH has received another order from f.q.b. gGmbH for a rooftop system on a neighbouring building. The photovoltaic plant has a peak performance of 37.7 kWp and will include a battery with a storage capacity of 49.8 kWh. The installation will be mounted in the second half of 2023 and has a total order value of 78 k€.

### **Update on Project with KEBE S.A. in Greece**

As stated on 11 October 2022, Industrial Solar signed a letter of commitment for a 6.4 MWth solar thermal process heating system with KEBE S.A. in Greece. Due to adjustments of the integration concept of the system into the existing factory, the process is delayed from Q1 2023 to Q2 2023.

### **Industrial Solar Awarded 196k€ for R&D Project SUSHEAT**

Industrial Solar GmbH signed a Grant Agreement for an R&D Project from Horizon Europe. The R&D Project, known as SUSHEAT, runs for 4 years and has a total funding volume of 4.7 m€, of which 196 k€ are awarded to Industrial Solar. SUSHEAT is the acronym for the Project Title *Smart Integration of Waste and Renewable Energy for Sustainable Heat Upgrade in the Industry*, and follows the Horizon Europe topic Development and pilot demonstration of heat upgrade technologies with supply temperature in the range 150-250°C.

### **Industrial Solar Wins GIZ Tender for Renewable Process Heat**

Industrial Solar GmbH was awarded a contract worth 52,930 € by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Within the framework of the project, project development tools for the renewable generation and efficient use of process heat in the C&I (commercial & industrial) segment in developing/emerging countries will be developed. The project starts today and runs for 6 months.



## 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, Modulus, JOSSI and AuSeSol with a total funding worth up to 2.8 m€ are strong support in the coming years.

The amendment of the SHIP2FAIR Grant Agreement might result in a budget reduction of around 500 k€ and a partial repayment of subsidies already received.

Due to the 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 three ongoing nationally funded R&D projects, namely HaSiMem, SERPIC and RoKka, and the two EU-funded projects MELoDIZER and SuperClean with a total funding value of about 1.2 m€.

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 risks are mainly related to the global economic situation. While rising fossil fuel costs have encouraged companies to invest in sustainable solutions, they also contribute to higher commodity prices. Dealing with the Covid crisis in Southeast Asia and the war in Ukraine has put pressure on traditional supply channels, not only for semiconductors but also for all low-value-added components manufactured in China, Russia and Ukraine. The slowdown in economic growth also affects the industry, the main customer of the Clean Industrial Solutions subsidiaries.

Generally speaking, inflation is a source of anxiety for investors. This climate of anxiety is reinforced by the uncertainty as to the response of the central banks and the markets to this inflation. However, an increase in key interest rates is inevitable, and even if this increase has begun, it will become more pronounced in the coming months, if only in the context of a global recovery when the aforementioned crises have subsided. The period of easy financing seems to be over and the increase in key rates will negatively impact the investment needs of industries. It would make sense for these industries to invest now but hopes for improved investment timing are prompting companies to take a wait-and-see approach, impacting the overall economic situation.

## 18 Share Development

On December 31, 2022 the number of shares outstanding amounted to 25,497,762 and the company had around 1,983 shareholders.

Below table shows the 10 largest shareholders as of December 31, 2022.

Name	Number of Shares	Voting Rights
ASSINDIA AB	4,525,000	17,75%
ENIARA AB	1,493,451	5,86%
ZÄHLER, CHRISTIAN	1,120,373	4,39%
NURKKALA, AARO PELLERVO	1,058,773	4,15%
FASTIGHETS AKTIEBOLAG PONORD	1,003,639	3,94%
SCHWIND, TOBIAS	884,969	3,47%
AVANZA PENSION	835,272	3,28%
CLEARSTREAM BANKING S.A.	671,450	2,63%
NORDNET PENSIONS FÖRSÄKRING AB	568,491	2,23%
TECTUS AB	374,688	1,47%
Other Shareholders	12,961,656	50,83%
<b>Total</b>	<b>25,497,762</b>	<b>100,00%</b>

## 19 Financial Calendar

The Board proposes that the loss for the year 2022 of TSEK 23,418 is brought forward. The annual shareholder meeting will take place on June 13, 2023 in Stockholm.

Annual Shareholder Meeting	13 June 2023
1. Quarterly Report	19 May 2023
2. Quarterly Report	25 Aug 2023
3. Quarterly Report	24 Nov 2023
4. Quarterly Report	23 Feb 2024

## 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 01/01/2022 - 31/12/2022 today. The Annual Report is presented in accordance with the Swedish K3 accounting standards.

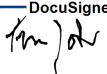
In our opinion, the financial statements give a true and fair view of the entity's financial position on 31/12/2022 and of the results of its operations and cash flows for the fiscal year 01/01/2022 - 31/12/2022.

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 28, 2023



Finn Johnsson  
Chairman

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Christian Zahler  
CEO and Board  
Member

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Markus Augustsson  
Board Member

DocuSigned by:  
  
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Daniel Pfeifle  
Board Member

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Korbinian Kramer  
Board Member


DocuSigned by:  
  
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Marie-Louise Olsson Dawwas  
Board Member

DocuSigned by:  
  
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Upplands Väsby April 28, 2023  
Finnhammars Revisionsbyrå AB

DocuSigned by:  
  
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Jonas Forsberg  
Authorized auditor

## 21 Contact

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Palmfeltsvägen 21, 121 62 Johanneshov, Sweden**  
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### **Certified Adviser**

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