

## ISHE board decides to conduct a rights issue and to sign term sheet for the acquisition of SolarSpring GmbH

On 8 January 2020, Industrial Solar Holding Europe AB (ISHE) announced that the Board of Directors had resolved to launch a rights issue of SEK 24.7M with preferential rights for existing shareholders. The terms of this right issue are announced through this press release.

Background of this right issue is the planned acquisition of the company SolarSpring GmbH, a spin-off from the Fraunhofer Institute for Solar Energy systems in Freiburg and a manufacturer of innovative membrane-based water treatment systems.

Industrial Solar announces that the Company's Board of Directors, using the existing authorization to issue new shares, has resolved to carry out a rights issue, of up to 3 798 247 shares at the subscription price SEK 6.50. In total the Company issues approximately SEK 24.7M in the rights issue. Upon full subscription, the rights issue as set out above, the share capital will increase in total SEK 373 765.59 to SEK 1 121 296.87.

In the rights issue with preferential right for existing shareholders the Company receives approximately SEK 24.7M before costs related to the rights issue on the following terms.

- Two (2) existing shares grants the right to subscribe for one (1) new share.
- The subscription price is SEK 6.50 per share.
- Record date for participation in the rights issue with preferential right is 15 January 2020.

Subscription period is 17 January up to and including 5 February 2020.

### Background

The conversion and integration of our fossil-fuel-hungry and polluting industries into a sustainable circular economy requires not only clean energy but also technologies increasing the material efficiency and reducing the industrial waste streams. Already today, 4 billion people experience water scarcity at least one month per year. People and industry both use freshwater, and in most industrial sectors large amounts of water are required for various purposes. Ranging from ultrapure water to saline solutions - the variety in required liquid streams is large.

ISHE already holds 100% of Industrial Solar GmbH, a company providing turnkey solutions for clean energy in the industrial sector, especially for process heat (steam / hot water / thermal oil) and cooling.

ISHE's decision to sign a term sheet for the acquisition of SolarSpring GmbH is paving the way for a more comprehensive offer to industrial customers heading towards a sustainable future – motivated by internal guidelines or governmental obligations.

SolarSpring GmbH is an equipment manufacturer of innovative membrane-based water treatment systems. The company is an absolute pioneer in the field of membrane distillation for industrial wastewater treatment. Through years of experience, they have developed innovative systems like their rEvap (recovery evaporation) membrane technology which provides a solution for many industrial sectors which either aim to reuse process liquids or where sensitive liquid products require concentration. This can include processes like recovering acids in the metallurgical industry, concentrating salty pickling solutions in the food industry or reducing the volume of a hazardous mixed waste stream before disposal.

Their novel technology allows the recycling and reuse of valuable compounds of the wastewater and the reduction of wastewater volume. SolarSpring provides the entire value chain from conceptual design to turnkey installation. Where conventional wastewater treatment methods reach their limits or the disposal of process fluids exceeds the financial scope, SolarSpring technology steps in.

Water treatment is also often essential for industries with a high process heat demand. Thus, it is of great advantage to synchronize heat supply and industrial water treatment to maximize the efficiency of energy usage.

By combining the technologies of Industrial Solar and SolarSpring, this synchronization can evolve since residual waste heat from thermal processes can be used to power the rEvap systems which need only a temperature level of 85 °C.

Besides their solutions for wastewater treatment, SolarSpring offers also solar powered water purification systems which ensure a secure, autonomous supply of fresh drinking water even if the water source is contaminated with viruses and bacteria. This system is specially designed for remote locations far from any infrastructure but in need of a reliable source of clean drinking water.

Apart from the obvious technological match between Industrial Solar and SolarSpring, there is also a clear strategic match in terms of markets and customers and such sales activities.

SolarSpring's turnover in 2019 is expected to be in the range of 500 k€ with a loss of 200 k€ due to special effects. The previous years, the company was break-even, and it has a strong growth potential according to the current sales pipeline. The core team consists of six engineers and developers who have helped building the company from the beginning and who are fully committed.

Total deal value is approx. 800 k€ divided into:

200 k€ paid by ISHE shares to acquire 100% of SolarSpring shares,

250 k€ paid in cash for operational activities and

350 k€ ISHE shares transferred to an ESOP (Employee Stock Option Program) to bind the core team and partners

The proceeds of the rights issue will partly be used for the acquisition of SolarSpring, but also for co-financing several public funded R&D projects and financing first projects on an energy contracting basis at Industrial Solar GmbH, the other 100% owned company from ISHE.

The acquisition of SolarSpring GmbH with their solutions for wastewater treatment using waste heat from industrial processes is a perfect match for Industrial Solar Holding Europe AB which then can offer a broader range of renewables, water treatment and process relevant technologies to industrial customers.

## The rights issue

On 8 January 2020, the Board of Industrial Solar resolved, pursuant to the authorization granted by the annual general meeting on 5 June 2019, on a share issue of up to 3 798 247 shares with preferential rights for the Company's existing shareholders. The subscription price amounts to SEK 6.50 per share, meaning that the Company will receive up to approximately SEK 24.7M, before issue costs, through the Rights Issue if fully subscribed.

For each share held on the record date of 15 January 2020, shareholders will receive one (1) subscription right. Two (2) subscription right entitles to subscription of one (1) share. If not all shares issued in the Rights Issue are subscribed for with subscription rights (primary preferential right), the Board of Directors shall decide on the allotment of new shares subscribed for without subscription rights in accordance with the following:

- 1) In the first instance the allocation shall be made to the company's previous shareholders as of the record date on 15 January 2020. In case of over-subscription, the allotment will be pro rata in relation to the number of shares held per record day and to the extent that this cannot be done by drawing lots.
- 2) In the second instance the shares shall be allotted to others that have subscribed for new shares without subscription rights, pro rata to the number of shares that each has applied to subscribe for.

Record date for participation in the Rights Issue is 15 January 2020, and the subscription period takes place during the period 17 January - 5 February 2020. The last day of trading in Industrial Solar's share including the right to participation in the Rights Issue is 13 January 2020. Trading in subscription rights shall take place on Spotlight Stock Market during the period 17 January 2020 – 3 February 2020.

Full terms and conditions for the Rights Issue as well as other information about the Company will be disclosed in the memorandum published no later than the day before the subscription period starts.

## Preliminary timeline

- January 13, 2020 – Last day of trading incl. preferential rights
- January 14, 2020 – First day of trading excl. preferential rights
- January 15, 2020 – Record date
- January 17 – February 3 2020 – Trading in rights
- January 17 – February 5 2020 – Subscription period
- January 17 2020 – Until the Rights Issue is registered at the Swedish Companies Registration Office – Trading in BTA
- Around February 7 2020 – Disclosure of outcome of Rights Issue

## Issuing agent

The issuing agent in relation to the issuing of the new shares is Eminova Fondkommission AB.

This information is such information that Industrial Solar Holding Europe AB is obliged to publish in accordance with the Securities Market Act. The information was submitted for publication on 8 January, 2020.

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Any investment decision in connection with the Rights Issue must be made on the basis of all publicly available information relating to the Company. Such information has not been independently verified by the financial advisors. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. A prospectus in Swedish regarding the Rights Issue described in this press release will be prepared and submitted to Swedish Financial Supervisory Authority (Sw. Finansinspektionen). Following the Swedish Financial Supervisory Authority's approval and registration of the prospectus, the prospectus will be published and kept available at Industrial Solar's website.

#### Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

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Industrial Solar Holding Europe AB holds 100% of Industrial Solar GmbH in Freiburg/Germany.

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.

Find out more about Industrial Solar GmbH at the following address:  
<https://www.industrial-solar.de/>