

## PRESS RELEASE

### **Josab acquires Chinese Clear Industry**

- Carry out a non-cash issue with greatly improved key figures as a result

**Spotlight-listed Josab Water Solutions AB buys 95.59% of the Chinese fast-growing cleantech company Clear Industry, which is valued at SEK 56.8 million. This is provided that Josab's Extraordinary General Meeting approves the acquisition. The transaction is made through a non-cash issue at a price of SEK 2.29 per share, which is a 154% premium over Thursday's closing price. The transaction gives Clear Industry's current owners 22 percent of the shares in the merged group. In connection with the transaction, Josab will raise a loan of SEK 30 million to assist with the financing of working capital so that the merged group will maintain a rapid pace of expansion. Possible additional purchase consideration may be paid corresponding to ten times the 2022 and 2023 profit after tax on the part that exceeds 6.25 million RMB (SEK 8.87 million).**

Clear Industry has built a commercial base in the Shanghai area where their focus is on handling food waste spread across China through patented technology. The products of the process are biogas, biofuel, and through a number of pilot plants, protein. The latter is produced by using the end product, a nutritious mixture, as food for larvae from the Black Soldier fly. These larvae are in turn processed into a very high quality protein powder that has an attractive market value.

The process for the production of protein powder also creates a basically completely closed ecological cycle which from an environmental point of view is very attractive and also financially profitable compared with traditional alternatives such as incineration.

Clear Industry is today profitable and expect sales of approx. 70 million RMB in 2021 (99.4 MSEK). Forecast for next year's sales is approximately 112 million RMB (approximately 160 million SEK) with a profit of approximately 7.74 million RMB (11 million).

Clear Industry has today sold about 30 plants that are in operation and has 3 pilot plants for protein production. The total market potential in China is estimated at around 1,000 facilities.

"After many years of work, the acquisition finally creates a very strong base for Josab - both financially and commercially. We now have the opportunity to more quickly expand Josab's strong technology offering for water purification in parallel with Clear Industry's handling of food waste ", says Peter Fredell, Chairman of the Board of Josab, and continues:

"With the merger, we expect the Josab Group to show profitability as early as 2022. By giving Clear Industry access to Stockholm's financial market, there are also conditions for future venture capital, which means that continued very rapid expansion can be achieved."

Even after dilution through the non-cash issue, the merged company will have significantly improved key figures based on pro forma figures and already placed customer orders in 2022. Turnover per share goes from SEK 0.04 / share to, forecast, approx. SEK 1.46 / share, ie an improvement of approx. 36 times. Earnings per share are expected to be positive rather than today's negative numbers.

Following a non-cash issue, the current owners of Clear Industry will own 22 percent of the shares in the merged group.

Finally, it should be added that on November 25, 2021, Clear Industry was awarded the prize as one of this year's gazelles by the State Institute "Productivity Promotion Center, Jiangzu China"

Due to this transaction, the company may undergo a listing test on Spotlight as the operations and sales change sharply in a positive direction in the merged group.

*This information is such information that Josab Water Solutions AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person below for publication on December 3, 2021.*

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