

ES Group proposes directed issues of units of approximately SEK 17.8 million and warrants, respectively, and announces a placement of existing shares of approximately SEK 4.4 million

The Board of Directors of ES Group AB (publ) ("ES Group" or "the Company") has today resolved to convene an extraordinary general meeting to resolve on a directed issue of units consisting of Class B shares and warrants of series TO 4 free of charge, of approximately SEK 17.8 million, directed to, among others, the existing shareholders Tind Asset Management AS and Tedde Jeansson as well as new qualified investors, including Fore C Micro AB, Lommen Invest AB, Karkas Capital AB, Gerhard Dal, Philip Asmar and Gryningskust Holding AB (the "Directed Issue"). A unit in the Directed Issue consists of three (3) Class B shares and one (1) warrant of series TO 4 in the Company free of charge, which in total comprises 1,185,195 Class B shares and 395,065 warrants of series TO 4. Furthermore, the Company's existing shareholder and business partner Amitime is planning an IPO in China, which prohibits ownership in ES Group, as the Company is a customer of Amitime, but does not affect the joint venture regarding the factory in Turkey. Consequently, Amitime has entered into an agreement to place 295,620 existing Class B shares in the Company, corresponding to approximately SEK 4.4 million based on the subscription price in the Directed Issue, with, among others, the Company's Chairman of the Board Fredrik Sävenstrand (via company), board member and CTO Christian Gulbrandsen and CEO Yibo Zhao (the "LEO Group" and the "Placement", respectively). In connection with the Placement, the Board also proposes that the extraordinary general meeting resolve on a directed issue of 68,888 warrants of series TO 4 free of charge directed to the LEO Group (the "LEO Warrant Issue") as well as a directed issue of 29,652 warrants of series TO 4 free of charge directed to qualified investors (the "Warrant Issue"). The Placement is carried out outside the Directed Issue and therefore does not provide the Company with any additional capital at this time, but only to the extent the warrants are exercised for subscription of Class B shares in the Company. The subscription price in the Directed Issue of SEK 45 per unit, corresponding to SEK 15 per Class B share, corresponds to a discount of approximately 14.0 percent compared to the volume-weighted average price of the Company's Class B share on Nasdaq First North Growth Market during the last 5 trading days up to and including 17 July 2026.

The Directed Issue, the LEO Warrant Issue, the Warrant Issue and the Placement

The Board of Directors of ES Group has today resolved to convene an extraordinary general meeting to resolve on the Directed Issue consisting of Class B shares and warrants of series TO 4 free of charge, of approximately SEK 17.8 million as well as the Warrant Issue, directed to, among others, the existing shareholders Tind Asset Management AS and Tedde Jeansson as well as new qualified investors, including Fore C Micro AB, Lommen Invest AB, Karkas Capital AB, Gerhard Dal, Philip Asmar and Gryningskust Holding AB, as well as the LEO Warrant Issue directed to the LEO Group. A unit in the Directed Issue consists of three (3) Class B shares and one (1) warrant of series TO 4 in the Company free of charge, which in total comprises 1,185,195 Class B shares and 395,065 warrants of series TO 4 free of charge. Through the Directed Issue, the Company will receive approximately 17.8 million SEK before transaction-related costs in connection with the Directed Issue.

The Company's existing shareholder and business partner Amitime is planning an IPO in China that prohibits cross-ownership in ES Group, as the Company is a customer of Amitime, but does not affect the joint venture regarding the factory in Turkey. Consequently, Amitime has entered into an agreement regarding the Placement of approximately SEK 4.4 million, which is carried out on the same terms as the Directed Issue. In connection with the Placement, the Board also proposes that the extraordinary general meeting resolve on a directed issue of 68,888 warrants of series TO 4 free of charge directed to the LEO Group and a directed issue of 29,652 warrants of series TO 4 free of charge, corresponding to a total of 493,605 warrants of series TO 4 free of charge. Upon exercise of all warrants of series TO 4, the Company could receive an additional approximately SEK 12.3 million, before deduction of costs attributable to the exercise of the warrants.

The Directed Issue, the LEO Warrant Issue and the Warrant Issue are conditional upon the extraordinary general meeting resolving on the issues in accordance with the Board's proposal. The extraordinary general meeting is expected to take place around 20 August 2026. The resolution of the general meeting requires that the proposal regarding the Directed Issue and the Warrant Issue be approved by shareholders representing at least two-thirds (2/3) of both the votes cast and the shares represented at the meeting. The resolution of the general meeting requires that the proposal regarding the LEO Warrant Issue be approved by shareholders representing at least nine-tenths (9/10) of both the votes cast and the shares represented at the meeting. Notice of the extraordinary general meeting will be published through a separate press release no later than 20 July 2026.

The proceeds from the Directed Issue, of approximately SEK 17.8 million before issue-related costs, the LEO Warrant Issue and the Warrant Issue, are intended to be used to accelerate the Company's growth and strengthen the organization in strategically prioritized areas. Part of the capital will be used for the continued development and scaling of the Company's ODM/White Label offering. The Company has already established the necessary expertise in the area and conducts sales according to a platform-based strategy. The investments aim to further strengthen the organization's capacity and create conditions for continued growth. Furthermore, the capital is intended to be used to expand operations within the commercial real estate segment. As the

propane-based product platform is finalized, the Company plans to build up internal development and project capacity. This includes, among other things, the establishment of a dedicated team focused on quote support, sizing and engineering to support increased market presence and efficient execution capacity.

These investments are being made against the backdrop of several structural changes in the European heating market. The European heating market is facing a substantial shift from gas-based heating solutions to more sustainable alternatives, which is expected to contribute to increased demand for energy-efficient heat pump solutions. ES Group is also well positioned to benefit from several upcoming EU initiatives, including the Industrial Accelerator Act. The regulatory framework aims, among other things, to strengthen European industry and accelerate the electrification of the energy system. For companies with production within the EU customs union, such as ES, this is expected to result in a strengthened competitive position, as players with production outside Europe may in some cases have limited access to public support programs and subsidies.

The subscription price in the Directed Issue of SEK 45 per unit, corresponding to SEK 15 per Class B share, corresponds to a discount of approximately 14.0 percent compared to the volume-weighted average price of the Company's share on Nasdaq First North Growth Market during the last 5 trading days up to and including 17 July 2026. The warrants of series TO 4 are issued free of charge. The subscription price has been determined through arm's length negotiations between the Company and the subscribers based on the current market price of ES Group's Class B share on Nasdaq First North Growth Market. Against this background, it is the Board's assessment that the subscription price reflects prevailing demand and market conditions and is therefore to be considered to be on market terms.

Fredrik Sävenstrand, Chairman of the Board of ES Group, comments:

"The issue is an important step in the Company's continued development and strengthens our ability to deliver on our long-term profitability goals and create value for customers and shareholders. With this strengthened capital position, we can continue our growth journey with a particular focus on our propane offering, both for ODM and white label customers as well as under our own brand within the commercial real estate systems business area. We see the strong confidence shown by founders, the CEO, and both existing and new investors as clear proof of the trust placed in the Company, our strategy and our future potential."

Reasons for deviation from the shareholders' preferential rights

The Company's Board of Directors has made an overall assessment and carefully considered the possibility of raising capital through a rights issue. The Board has concluded that it is more advantageous for the Company and its shareholders to raise additional capital through issues with deviation from the shareholders' preferential rights, taking into account

- that a directed issue of units further diversifies and strengthens the Company's shareholder base with carefully selected investors,

- that a rights issue would likely require a large issue discount and result in higher costs for the Company, including costly underwriting commitments, which in the current market climate would likely be necessary but difficult to achieve, or only at significant cost, and
- that directed issues entail lower exposure to potential market volatility than a rights issue.

Considering the above, the Board considers that the directed issues are in the best interest of the Company and all shareholders. The reasons for including certain existing shareholders in the directed issues are that they can contribute more than just capital, such as key expertise, industry networks and strategic cooperation that benefit the Company's overall development, and that it sends very strong positive signals to the market and investors that they are investing more capital. This demonstrates strong confidence in the Company's future. Furthermore, the directed issues will (i) further strengthen the Company's financial position and enable the Company to execute its growth strategy, (ii) can be carried out in a significantly more time-efficient manner and at a lower cost and with less complexity than a rights issue, and (iii) reflect the value of a strong balance sheet in the current market situation. Against this background, it is the Board's overall assessment that the reasons for carrying out the directed issues outweigh the reasons underlying the main rule that issues should be carried out with preferential rights for shareholders. The Board therefore considers that there are strong reasons to deviate from the shareholders' preferential rights and that the directed issues are also in the interest of the Company and the shareholders.

Warrants of series TO 4

One (1) warrant of series TO 4 entitles the holder to subscribe for one (1) Class B share in the Company at a subscription price of SEK 25 per Class B share during the period from and including 18 August 2027 up to and including 31 August 2027.

Shares, share capital and dilution

Through the Directed Issue, the number of shares in the Company increases by 1,185,195 Class B shares, from 6,586,161 shares to 7,771,356 shares, of which 1,348,640 Class A shares and 6,422,716 Class B shares, and the Company's share capital increases by SEK 2,962,985.718619, from SEK 16,465,392.600815 to SEK 19,428,378.319434, resulting in dilution of approximately 15.3 percent of the number of shares and approximately 6.0 percent of the number of votes in the Company.

Upon full subscription and full exercise of warrants of TO 4, the number of shares in the Company will increase by a further 493,605 Class B shares, from 7,771,356 shares to 8,264,961 shares, of which 1,348,640 Class A shares and 6,916,321 Class B shares, and the Company's share capital will increase by SEK 1,234,011.758098, from SEK 19,428,378.319434 to SEK 20,662,390.077531, resulting in further dilution of approximately 6.0 percent of the number of shares and approximately 2.4 percent of the number of votes in the Company.

Advisors

Partner Fondkommission AB is acting as financial advisor and issuing agent to ES Group in connection with the Directed Issue, the LEO Warrant Issue, the Warrant Issue and the Placement.

Contacts

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This information is such information that ES Group AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation (EU no. 596/2014). The information was submitted, through the agency of the contact person set out above, for publication at [19:30] on 2026-07-17.

About ES Group

ES Group is a Swedish heat pump technology and platform company. ES Group enables brands to establish and grow in the heat pump market through ODM/White Label partnerships built on proprietary hardware architecture and control platform. ES Group also distributes heat pumps under its own brand, ES Energy Save, through installer and distribution networks in the European market. The Company has been active in the European heat pump market since 2009 and is listed on Nasdaq First North Growth Market Stockholm (ticker: ESGR B). Redeye Nordic Growth AB is the Company's Certified Adviser.

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rely on it. This press release is not a prospectus within the meaning of Regulation (EU) 2017 /1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation").

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments or current expectations regarding and objectives for the Company's future operations, financial position, development, liquidity, results, prospects, expected growth, strategies and opportunities, as well as the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and can be identified by the fact that they contain words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "should", "could", "aim" or "might", or, in each case, negations thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which in turn are based on further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it cannot give any assurances that they will occur or prove to be correct. Since these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome may differ materially from those expressed in the forward-looking statements, which are a result of many factors. Such risks, uncertainties, unforeseen events and other important factors may cause actual events to differ materially from the expectations expressed or implied herein through such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from error and accepts no responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not unduly rely on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release are provided only as of the date of this press release and may be subject to change without notice. Neither the Company nor anyone else undertakes any obligation to review, update, confirm or publicly announce any revisions to forward-looking statements to reflect events that arise or circumstances that arise in relation to the content of this press release.

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About Us

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This information is information that ES Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-07-17 21:49 CEST.