

CLIMEON HAS SUCCESSFULLY COMPLETED A DIRECTED NEW SHARE ISSUE OF 8,489,886 CLASS B SHARES, RAISING APPROXIMATELY SEK 29 MILLION

PRESS
RELEASE

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The board of directors of Climeon AB (publ) ("Climeon" or the "Company") has resolved to carry out a directed share issue of 8,489,886 class B shares at a subscription price of SEK 3.40 per share (the "Share Issue"). The subscription price has been determined through an accelerated bookbuilding procedure carried out by Vator Securities AB ("Vator Securities"). A number of new investors have subscribed for class B shares in the Share Issue. Furthermore, a number of existing shareholders have subscribed for class B shares in the Share Issue, including Stefan Wikström, MP Pensjon PK, SEB-Stiftelsen, Cidro Förvaltning AB, and Nowo Global Fund.

The bookbuilding procedure that was announced by the Company earlier today has now been successfully completed and increased, due to higher demand, and Climeon's board of directors has resolved to carry out a directed issue of 8,489,886 class B shares at a subscription price of SEK 3.40 per class B share, corresponding to issue proceeds of approximately SEK 29 million before transaction costs. A number of new investors have subscribed for class B shares in the Share Issue. Furthermore, a number of existing shareholders have subscribed for class B shares in the Share Issue, including Stefan Wikström, MP Pensjon PK, SEB-Stiftelsen, Cidro Förvaltning AB, and Nowo Global Fund.

The subscription price in the Share Issue has been determined through an accelerated bookbuilding procedure. Consequently, it is the board of directors' assessment that the subscription price reflects current market conditions and demand and that the subscription price is therefore on market terms. The subscription price corresponds to a discount of 10.3 percent against the volume-weighted average price during the last 10 trading days.

Use of proceeds

Climeon intends to use the proceeds from the Share Issue for the following purposes:

- i) finance the continued commercialization of HeatPower 300, and
- ii) strengthen the Company's working capital to finance deliveries of existing and expected orders.

Deviation from the shareholders' preferential right

In preparation for the Share Issue, the Company's board of directors has analyzed the conditions for, and carefully considered the possibility of raising capital through, a rights issue. The board of directors has taken into account the guidelines issued by the Stock Market Self-Regulation Committee (ASK) and the conclusion of the overall assessment, under the prevailing conditions, is that the Share Issue is the most favorable option for the Company and its shareholders. The reasons for this have been based on the following considerations and conclusions:

i) A rights issue would take significantly longer to complete than a directed share issue. The extended time period would expose the Company to risks related to changing market conditions for a longer period of time, which in turn could result in the Company losing the opportunity to raise capital in time to ensure liquidity needs in the short and medium term. Such a development could adversely affect the Company's financial and operational flexibility and limit the Company's ability to capitalize on business opportunities.

ii) The Share Issue diversifies and strengthens the Company's shareholder base with both Swedish and international investors, and broadens the base of financially strong shareholders who are deemed to have the financial capacity to support the Company's operations in the long term, which is expected to strengthen Climeon's ability to implement the Company's growth strategy.

iii) A rights issue would require extensive guarantees from a guarantee consortium. Such guarantees typically involves compensation in the form of cash or shares, which would entail an increased cost for the Company and/or further dilution for existing shareholders. Against this background, the board of directors considers that a directed share issue, such as the Share Issue, can be carried out without the need for a guarantee consortium. This enables a lower total cost for the Company and eliminates the risk of further dilution, which overall is considered to be more beneficial for the Company's shareholders.

In view of the above, the board of directors considers, after an overall assessment, that the Share Issue is the most advantageous option for Climeon to raise capital in a cost and time efficient manner in order to strengthen the Company's financial position, while maintaining the most value in the Company and being most favorable for the Company's shareholders. Since the subscription price has been determined through an accelerated bookbuilding procedure, it is the assessment of the board of directors that the subscription price reflects prevailing market conditions and demand.

Number of shares, share capital and dilution

The Share Issue entails an increase in the Company's share capital by SEK 1,273,482.90, from SEK 6,387,400.95 to SEK 7,660,883.85, and the number of shares increases by 8,489,886 class B shares, to a total of 51,072,559 shares (divided into 390,000 class A shares and 50,682,559 class B shares). The Share Issue entails a dilution of approximately 16.6 percent of the share capital and approximately 15.6 percent of the votes in relation to the total number of outstanding shares in the Company after the Share Issue.

Lock-up

Shareholding members of the Company's board of directors and management have undertaken, with certain exceptions, to not dispose of shares or other financial instruments in the Company for a period of 180 calendar days after the announcement of the Share Issue.

Advisors

Vator Securities is Sole Global Coordinator and Bookrunner in connection with the Share Issue. Baker McKenzie Advokatbyrå is legal advisor to the Company in connection with the Share Issue.

For more information, please contact:

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This information is information that Climeon AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication, through the agency of the contact persons set out above, at the time stated by the Company's news distributor at the publication of this press release.

About Climeon AB

Climeon is a Swedish product company operating within the energy technology sector. Climeon's proprietary technology, the Climeon HeatPower system, uses an Organic Rankine Cycle (ORC) process to convert low-temperature heat into clean, carbon free electricity. Providing access to dependable and cost-effective sustainable power, HeatPower enables industries to increase energy efficiency, decrease fuel consumption, and reduce emissions. As a non-weather-dependent source of green energy, HeatPower has the potential to diversify and safeguard the renewable energy mix and, therefore, accelerate the global transition to a net-zero future. Climeon's B shares are listed on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is a Certified Advisor. Learn more at climeon.com.

Since Climeon AB (publ) has made the assessment that the Company conducts activities worthy of protection according to the Swedish Foreign Direct Investments Act (Sw. lag (2023:560) om granskning av utländska direktinvesteringar), certain investments in the Share Issue may require review by the Swedish Inspectorate for Strategic Products (Sw. Inspektionen för strategiska produkter). For more information, please visit the Swedish Inspectorate for Strategic Products' website, www.isp.se, or contact the Company.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or expectations regarding 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 can be identified by the use of words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "anticipates", "should", "could" and, in each case, the negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialize or that they are accurate. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes could differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking

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Information to distributors

For the purpose of complying with the product governance requirements set out in: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as consolidated, ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593, which complements MiFID II; and (c) national implementing measures (together, "**MiFID II Product Governance Requirements**") and to discharge any non-contractual, contractual or other liability to which any "manufacturer" (within the meaning of the MiFID II Product Governance Requirements) might otherwise be subject, the Climeon B Shares have been subject to a product approval process, which has determined that such shares are: (i) suitable for a target market of retail investors and investors meeting the criteria of professional clients and eligible counterparties, as defined in MiFID II ("**Positive Target Market**"); and (ii) suitable for distribution through all distribution channels permitted under MiFID II. Distributors should note that: the price of the shares in Climeon may fall and investors may lose all or part of their investment; the shares in Climeon carry no guarantee of return or capital protection; and an investment in the shares in Climeon is suitable only for investors who (acting alone or with the assistance of an appropriate financial or other advisor) are capable of evaluating the merits and risks of such investment and who have sufficient resources to bear the losses that such investment may involve. Conversely, an investment in the shares of Climeon is not suitable for investors who require full capital protection or full repayment of the amount invested, cannot bear any risk or who require guaranteed or predictable returns ("**Negative Target Market**", and together with the Positive Target Market, "**Target Market**"). The Target Market Assessment is without prejudice to any other requirements relating to contractual, legal or regulatory selling restrictions in connection with the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute (a) an assessment of suitability or appropriateness for the purposes of MiFID II or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.

Each distributor is responsible for carrying out its own Target Market Assessment in respect of the shares in Climeon and for determining appropriate distribution channels.

This information is information that Climeon 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 2025-10-28 23:12 CET.

Image Attachments

Climeon Powering A Sustainable Future

Attachments

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