

CLIMEON PUBLISHES PROSPECTUS IN CONNECTION WITH FULLY GUARANTEED RIGHTS ISSUE OF UNITS OF APPROXIMATELY 100 MILLION SEK

PRESS
RELEASE

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The Board of Directors of Climeon AB (publ) ("Climeon" or the "Company") announced on 30 October 2023 its resolution on a fully guaranteed rights issue of up to 19,021,017 units in Climeon with preferential right for the Company's existing shareholders (the "Rights Issue"). The Board of Directors of Climeon has due to the Rights Issue prepared a prospectus, which today has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "SFSA") and published on the Company's website.

Publication of the Prospectus

Complete information about the Rights Issue is included in the prospectus that has been prepared by the Board of Directors of the Company and that today has been approved by the SFSA. The prospectus is available on Climeon's website, <https://climeon.com/investor-english/>, DNB Markets, part of DNB Bank ASA, Sweden branch's website, <https://www.dnb.se/emissioner> and will also be available on the SFSA's website <https://fi.se/sv/vara-register/prospektregistret/>.

The prospectus has been prepared as an EU-Growth prospectus in accordance with article 15 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The prospectus has been approved by the SFSA, which is the Swedish competent authority under the Prospectus Regulation, in accordance with article 20 of the Prospectus Regulation. The SFSA only approves the prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval should not be considered as an endorsement of Climeon or as an endorsement of the quality of the securities subject to the prospectus and it does not indicate that the SFSA guarantees that the facts in the prospectus are correct or complete. Investors should make their own assessment as to the suitability of investing in the Rights Issue.

The Rights Issue in brief

- Shareholders in the Company receives one (1) unit right for each class A or class B share held on the record date of 6 November 2023. Five (5) unit rights entitle to subscription of one (1) unit. Each unit consists of six (6) class B shares and three (3) warrants of series 2023:U.
- The Rights Issue comprises a maximum number of 19,021,017 units in Climeon and will, upon full subscription and payment, provide the Company with proceeds of approximately SEK 100 million before deductions of costs related to the Rights Issue. In addition, the Company may receive additional proceeds if the warrants issued as part of the units are exercised.

- The subscription period for the Rights Issue is 8 November 2023 – 22 November 2023.
- Climeon intends to use the proceeds from the Rights Issue to (i) finance the continued commercialization of HeatPower 300 (approximately 60 percent), and (ii) strengthen the Company's working capital to finance deliveries of existing and expected orders (approximately 40 percent). To the extent that the Company, at the time of completion of the Rights Issue, has utilised, in whole or in part, the credit facility from SEB of a maximum of SEK 7.5 million, part of the working capital enhancement may be carried out through repayment of such credit facility.[1]
- The subscription price in the Rights Issue is SEK 5.28 per unit, corresponding to SEK 0.88 per class B share, which corresponds to a discount to TERP (theoretical share price after separation of unit rights) of approximately 33.8 percent compared to the volume weighted average price for the Company's class B share on the Nasdaq First North Premier Growth Market for the three trading days preceding the Board of Director's resolution on the Rights Issue and its terms.
- The subscription price when subscribing for class B shares through the exercise of warrant(s) obtained when subscribing for units will correspond to 70 percent of the volume weighted average price for the Company's class B shares on Nasdaq First North Premier Growth Market during a ten-day measurement period which runs between 20 May 2024 and 31 May 2024, however not higher than 2.64 SEK, corresponding to a 200 percent increase in the part of the subscription price in the Rights Issue attributable to one share (i.e., the subscription price for one class B share in the Rights Issue (i.e., SEK 0.88) multiplied by three).
- Shareholders who choose not to subscribe for units in the Rights Issue will have their ownership share diluted by approximately 54.5 percent of the capital, but can compensate themselves financially by selling their unit rights.
- The Rights Issue is fully guaranteed by subscription and guarantee commitments. The subscription commitments amount to approximately SEK 32 million and the guarantee commitments to approximately SEK 68 million.
- Complete terms and conditions for the Rights Issue can be found in the prospectus, which is available on Climeon's website, <https://climeon.com/investor-english> and on DNB Markets, part of DNB Bank ASA, Branch Sweden's website, <https://www.dnb.se/emissioner> and will also be available on SFSA's website <https://fi.se/sv/vara-register/prospektregistret/>.
- In connection with the Rights Issue, the Company is inviting investors to a digital investor presentation that will take place on 13th of November 2023 at 10:00. Registration and more information about the investor presentation can be found on the Company's website, <https://climeon.com/rights-issue-2023/>.

Preliminary timetable for the Rights Issue

The following timetable is preliminary and may be subject to change.

Record date for participation in the Rights Issue	6 November 2023
Prospectus approved by SFSA and published on the Company's website	7 November 2023
Trading in unit rights	8 November – 17 November 2023
Subscription period	8 November – 22 November 2023
Digital investor presentation	13 November 2023
Announcement of the final outcome of the Rights Issue	23 November 2023
Subscription period for exercise of warrants of series 2023:U	3 June – 17 June 2024
Announcement of the final outcome of the warrants of series 2023:U	June 2024

[1] Climeon has entered into an agreement for an overdraft facility with Skandinaviska Enskilda Banken ("SEB"). The purpose of the facility is to provide the Company with cash management flexibility in connection with the Rights Issue. As of the date of this press release, the credit facility has not been utilised.

Advisors

DNB Markets, part of DNB Bank ASA, Sweden branch, is Sole Global Coordinator and Baker McKenzie is the legal advisor to the Company in relation to the Rights Issue.

IMPORTANT INFORMATION

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Climeon in any jurisdiction, neither from Climeon nor from someone else.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus, corresponding to an EU Growth Prospectus, has been prepared by the Company due to the Rights Issue (the "**Prospectus**"). The Prospectus has been reviewed and approved by the Swedish Financial Supervisory Authority and been published on the Company's website. The Swedish Financial Supervisory Authority approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency specified in the Prospectus Regulation.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information relating to the Rights Issue 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. DNB Markets, part of DNB Bank ASA, Sweden branch is acting for Climeon in connection with the Rights Issue and for no one else. DNB Markets, part of DNB Bank ASA, Sweden branch will not be responsible to anyone other than Climeon for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offer of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States of America, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea, or any other jurisdiction where such distribution would require additional prospectus, registration or other measures in addition to those required by Swedish law, is prohibited, or otherwise is unlawful or cannot be made without the application of an exemption from such action. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

The securities referred to in this press release may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has been or will be made to admit the securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this press release, the Prospectus nor any other offering or marketing material relating to the Rights Issue and/or the securities constitutes a prospectus or a similar communication as such terms are understood pursuant to articles 35 et seqq. and article 69 of the FinSA. Neither this press release, the Prospectus nor any other offering or marketing material relating to the securities may be publicly distributed or otherwise made publicly available in Switzerland. Neither this press release, the Prospectus nor any other material relating to the Rights Issue, the Company or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, the Prospectus will not be filed with, and the Rights Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA. Neither the securities nor the Rights Issue have been, nor will they be, authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). Accordingly, the investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Company's securities.

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 and the group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group 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 that the assumptions on which it is based is 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 the date of this press release 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, unless it is required by law or Nasdaq First North Premier Growth Market's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company's shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should

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note that: the price of the Company's shares may decline and investors could lose all or part of their investment; the Company's shares offer no guaranteed income and no capital protection; and an investment in the Company's shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal, or regulatory selling restrictions in relation to the Rights 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 UK MiFIR; 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 Company's shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Company's shares and determining appropriate distribution channels.

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

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About Climeon AB (publ)

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 Adviser. Learn more at climeon.com.

This information is information that Climeon is obliged to make public pursuant to the Financial Instruments Trading Act. The information was submitted for publication at 2023-11-07 09:40 CET.

Image Attachments

[Climeon Prospectus Image](#)

Attachments

[Climeon publishes prospectus in connection with fully guaranteed rights issue of units of approximately 100 Million SEK](#)