

CLIMEON EXPLORES THE CONDITIONS TO CARRY OUT A DIRECTED SHARE ISSUE OF CLASS B SHARES OF APPROXIMATELY 50 MSEK

PRESS
RELEASE

THIS ANNOUNCEMENT IS NOT FOR DISTRIBUTION, RELEASE OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, BELARUS, CANADA, HONG KONG, JAPAN, NEW ZEALAND, RUSSIA, SWITZERLAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA OR ANY OTHER JURISDICTION WHERE SUCH DISTRIBUTION, RELEASE OR PUBLICATION WOULD BE UNLAWFUL OR WOULD REQUIRE ADDITIONAL REGISTRATION OR OTHER ACTIONS. PLEASE SEE THE "IMPORTANT INFORMATION" SECTION AT THE END OF THIS PRESS RELEASE.

The Board of Directors of Climeon AB (publ) ("Climeon" or the "Company") has mandated Penser By Carnegie, Carnegie Investment Bank AB (publ), ("Penser by Carnegie") to evaluate the conditions for carrying out a new share issue of class B shares of approximately SEK 50million (the "Share Issue") by way of a so-called accelerated bookbuilding procedure that starts immediately.

The Share Issue

The Share Issue is intended to be carried out with deviation from the shareholders' pre-emption right and based on the authorization granted by the annual general meeting on 15 May 2024. Climeon has mandated Carnegie to investigate the conditions for carrying out the Share Issue through an accelerated bookbuilding procedure, which will commence immediately after the publication of this press release. The total number of class B shares that may be issued, the subscription price per class B share and the allotment in the Share Issue will be determined by Climeon's Board of Directors in consultation with Carnegie.

The Company will inform about the outcome of the bookbuilding procedure and the Share Issue in a press release when the bookbuilding procedure has been completed, which is expected to occur no later than before trading on Nasdaq First North Premier Growth Market commences on 3 October 2024. The bookbuilding procedure may, if the Company or Carnegie so decides, be shortened or extended and may be discontinued at any time and the Company may thus refrain from carrying out the Share Issue in whole or in part.

Peter Lindell, SEB-stiftelsen and MP Pensjon PK, who are existing shareholders in the Company, have indicated an interest in participating in the Share Issue with at least their respective pro rata share.

The use of the issue proceeds

If the Share Issue is carried out, 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 conducted an analysis of the conditions for, and carefully considered the possibility of raising capital through, a rights issue. The conclusion of this 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 and the deviation from the shareholders' preferential rights have been based on the following considerations and conclusions:

- i) A rights issue would take significantly longer to complete, which may thus risk depriving the Company of the opportunity to raise capital to ensure the Company's liquidity needs in the short and medium term, which could ultimately impair the Company's financial and operational flexibility.
- ii) Through a directed issue such as the Share Issue, there is potential to diversify and strengthen the Company's shareholder base with both Swedish and international investors and broaden the base of financially strong shareholders who are deemed to have the financial capabilities to support the Company's operations in the long term, which is further deemed to strengthen Climeon's ability to execute on the Company's growth strategy.
- iii) The Share Issue is deemed to be able to be carried out at a significantly lower cost and with less complexity than a rights issue.
- iv) In light of the current market conditions and the volatility observed on the stock market, the Board of Directors has assessed that a rights issue would also require significant underwriting from an underwriting syndicate, which would entail additional costs and/or further dilution for shareholders depending on the type of consideration paid for such underwriting commitments.

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. As the subscription price in the Share Issue will be determined through a bookbuilding procedure, the Board of Directors believes that the subscription price will reflect current market conditions and demand.

Lock-up

Provided that the Share Issue is carried out, the Company will undertake not to issue or propose to issue additional shares or other financial instruments for a period of 90 calendar days from the settlement date of the Share Issue, with customary exceptions.

Furthermore, the Company's Board of Directors as well as the CEO (Lena Sundquist) and the CFO (Carl Arnesson) have undertaken, provided that the Share Issue is carried out and subject to certain exceptions, not to dispose any shares or other financial instruments in the Company for a period of 90 calendar days following publication of the outcome of the Share Issue.

Adviser

Penser by Carnegie is Sole Global Coordinator and Bookrunner in connection with the Share Issue. Baker McKenzie Advokatbyrå is acting as legal advisor to the Company in connection with the Share Issue.

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.

Important information

The publication, release or distribution of this press release may be restricted by law in certain jurisdictions and persons in the jurisdictions where this press release has been published or distributed should inform themselves about and observe any such legal restrictions. The recipient of this press release is responsible for using this press release and the information contained herein in accordance with the applicable rules in each jurisdiction. This press release does not constitute an offer, by the Company or anyone else, to sell or a solicitation of an offer to buy or subscribe for any securities issued by the Company in any jurisdiction in which such offer or solicitation would be unlawful.

PRESS RELEASE

This press release does not constitute an offer or invitation to acquire 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 applicable exemption from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in 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 offering of such 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, in or into Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland, the United States or any other jurisdiction where such announcement, publication or distribution of this information would be unlawful or where such action is subject to legal restrictions or would require additional registration or other measures than those required by Swedish law. Actions in violation of this instruction may constitute a violation of applicable securities laws.

This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or other securities in any EEA country and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document, and any other materials in relation to the securities referred to 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" (within the meaning of the United Kingdom version of Regulation (EU) 2017/1129 made part of United Kingdom law by the European Union (Withdrawal) Act 2018) who are (i) persons who have professional experience in matters relating to investments and 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 persons as referred to in Article 49(2)(a) to (d) of the Regulations (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this communication relates is available in the United Kingdom only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons should not take any action based on this press release and should not act or rely on it.

This press release does not identify or purport to identify any risks (direct or indirect) that may be associated with an investment in New Shares. An investment decision to acquire or subscribe for new shares in the Share Issue may only be made on the basis of publicly available information about the Company or the Company's shares, which has not been verified by Carnegie. Carnegie is acting for the Company in connection with the Share Issue and not on behalf of anyone else and will not be responsible to anyone else for providing the protections afforded to its clients or for providing advice in connection with the transaction or in relation to any other matter referred to herein.

The information contained in this press release may not be forwarded or distributed to any other person and may not be reproduced at all. Any transmission, distribution, reproduction or disclosure of this information in whole or in part is prohibited. Failure to comply with these instructions may result in a violation of the Securities Act or applicable laws of other jurisdictions.

This announcement does not constitute an invitation to underwrite, subscribe or otherwise acquire or transfer securities in any jurisdiction. This press release does not constitute a recommendation for any investor's decision regarding the Share Issue. Each investor or potential investor should conduct its own investigation, analysis and evaluation of the business and information described in this announcement and any publicly available information. The price and value of the securities may go down as well as up and past performance is no guide to future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

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 statements contained in this press release are accurate and any reader of this press release should not place undue reliance on the forward-looking statements contained in this press release. The information, opinions and forward-looking statements expressed or implied herein are made only as of the date of this press release and are subject to change. 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, except as required by law or Nasdaq First North Premier Growth Market's Rule Book for Issuers.

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, the "**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 (the "**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 adviser) 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 (the "**Negative Target Market**", and together with the Positive Target Market, the "**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.

PRESS RELEASE

FOR MORE INFORMATION, PLEASE CONTACT:

Lena Sundquist, CEO, Climeon

+46 708 345 228

Lena.sundquist@climeon.com

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 EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-10-02 17:31 CEST.

Image Attachments

[Climeon Press Header](#)

[HeatPower 300](#)

Attachments

[Climeon Explores the Conditions to Carry Out a Directed Share Issue of Class B Shares of Approximately 50 MSEK](#)