

CLIMEON INTENDS TO CARRY OUT A FULLY GUARANTEED RIGHTS ISSUE OF APPROXIMATELY SEK 160 MILLION

PRESS
RELEASE

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INSIDE INFORMATION: The Board of Directors of Climeon AB (publ) ("Climeon" or the "Company") hereby announces the intention to carry out a fully guaranteed rights issue of shares, corresponding to approximately SEK 160 million, with preferential rights for existing shareholders of the Company (the "Rights Issue"). The purpose of the Rights Issue is to strengthen the Company's financial position and support the implementation of the Company's business plan and strategy to commercialise the next generation heat power technology, HeatPower 300. The Board of Directors of Climeon has previously proposed that the Annual General Meeting on 18 May 2022 formally authorises the Board of Directors to resolve on a new issue of class B shares within the limits of the Company's Articles of Association. The intention is that the Rights Issue will be decided upon at the end of May 2022 and carried out in June 2022.

The implementation of the Rights Issue is conditional upon the Annual General Meeting on 18 May 2022 authorising the Board of Directors, in accordance with the proposal submitted by the Board of Directors, to decide on a new share issue. The Board of Directors intends to decide on the Rights Issue at the end of May 2022 after registration of the authorisation, if resolved upon, with the Swedish Companies Registration Office (Sw. Bolagsverket). Prior to the Annual General Meeting on 18 May 2022, the Board of Directors of Climeon hereby announces that the Board of Directors intends to decide on the Rights Issue under the following indicative conditions:

- The subscription period is expected to start and end in June 2022
- Climeon's shareholders shall receive class B subscription rights for each class A or class B share held on the record date
- The subscription price of the Rights Issue is intended to be priced at a discount to the TERP (theoretical share price after separation of subscription rights) of at least 40 percent based on the closing share price on the last trading day before the Board of Directors resolves on the Rights Issue and its terms
- The Rights Issue, if fully subscribed, is intended to raise approximately SEK 160 million for Climeon before deduction of costs attributable to the Rights Issue

The full terms of the Rights Issue will be announced as soon as the Board of Directors resolves to proceed with the Rights Issue. A prospectus will be published before the commencing of the subscription period for the Rights Issue and a digital presentation by the Company's management is scheduled for 1 June at 2:00 pm CET. The invitation to the digital presentation will be published on the Company's website.

The Board of Directors reserves the right to adjust the planned terms and conditions, including the timetable, should any circumstance occur that materially changes the conditions for the completion of the Rights Issue in accordance with the planned terms and conditions.

Subscription and guarantee commitments

Thomas Öström, Peter Lindell, Joachim Karthäuser, Olle Bergström, Fredrik Ljungström, Ann-Helene Ljungström, Stefan Lerneby, SEB-stiftelsen, Johan Sjögren and Peter Bühler, representing in aggregate 39 percent of the shares and 76 percent of the votes in Climeon directly or through corporations, have undertaken, by entering into subscription commitments, to subscribe for a total of 38 percent of the Rights Issue in accordance with the proposed terms. These parties have also undertaken to vote in favour of the proposed authorisation to enable the Board of Directors to decide on a new issue at the Annual General Meeting on 18 May 2022. In addition, Modelio Equity and Wilhelm Risberg have, through guarantee commitments, undertaken to guarantee a total of SEK 100 million of the Rights Issue. The guarantors have an option to receive the guarantee commission in cash or class B shares. The commission, if paid in cash, amounts to 10 percent of the guaranteed amount, and 12 percent if paid in class B shares in Climeon. The number of class B shares will be determined by a calculation of the volume weighted average share price (VWAP) on Nasdaq First North Premier Growth Market during the subscription period.

The Rights Issue is consequently fully guaranteed.

Advisor

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

FOR MORE INFORMATION, PLEASE CONTACT:

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



About Climeon AB (publ)

Climeon is a Swedish product company within energy technology. The company's unique technology for thermal power - Heat Power - makes accessible a largely unused energy source and provides sustainable electricity from hot water, around the clock, all year round. Heat Power is a cheap and renewable energy source with the potential to replace much of the energy that today comes from coal, nuclear power, oil and gas. The B share is listed on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is a Certified Adviser, +46 (0) 8-528 00 399 info@fnca.se.

Learn more at climeon.com.

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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 regarding the Rights Issue described in this press release will be prepared and published by the Company.

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 contained in this announcement relating to the Rights Issue 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 is acting for Climeon in connection with the Rights Issue and no one else and 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 Rights Issue 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, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

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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 prove to be 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 its date 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 not required by law or Nasdaq First North Growth Market 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 shares in Climeon 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 **"Target Market Assessment"**).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company 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 (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 in Climeon.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Climeon 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.