

*NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SINGAPORE, SOUTH AFRICA, SOUTH KOREA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES. PLEASE REFER TO IMPORTANT INFORMATION AT THE END OF THE PRESS RELEASE.*

## CLIMEON ANNOUNCES INTENTION TO CARRY OUT A DIRECTED NEW SHARE ISSUE OF CLASS B SHARES

Climeon AB (publ) ("Climeon" or the "Company") today announces its intention of a placement of up to 5,000,000 new Class B shares to Swedish and international institutional investors. Climeon has engaged Carnegie Investment Bank AB (publ) and Pareto Securities AB as Joint Bookrunners to investigate the conditions to carry out a new issue of Class B shares through an accelerated book building procedure.

Climeon announces today its intention to carry out a directed new share issue of up to 5,000,000 Class B shares, directed at institutional investors in Sweden and internationally (the "**Directed New Share Issue**"). The Directed New Share Issue is intended to be carried out based on the authorization granted by the annual general meeting on 19 May 2020. Climeon has engaged Carnegie Investment Bank AB (publ) and Pareto Securities AB (the "**Joint Bookrunners**") to investigate the possibilities to conduct the Directed New Share Issue through an accelerated book building procedure.

The subscription price for the new Class B shares in the Directed New Share Issue is to be determined through an accelerated book building procedure, which will begin immediately following this announcement, and end before the commencement of trading on Nasdaq First North Premier Growth Market on 2 October 2020. The board of directors of the Company can at any time choose to cancel the book building, close earlier or later and refrain from executing the Directed New Share Issue, in part or in full. The Company will announce the outcome of the Directed New Share Issue when the book building procedure has been completed.

The reasons for the deviation from the shareholders' preferential rights are to diversify the shareholder base among Swedish and international institutional investors and at the same time raise capital in a time and cost efficient manner at favorable terms. The net proceeds from the Directed New Share Issue is intended to be used to increase the Company's local presence in existing focus markets as well as new markets in order to accelerate sales. In addition, the net proceeds are intended to be used to accelerate time to market for the next generation Heat Power module, lowering the cost per kW produced for customers, increase the Company's gross margin and securing product compliance with country regulations. The net proceeds will also enable strategic investments and be used as a risk mitigation buffer. The board of directors' assessment is that the subscription price in the Directed New Share Issue will be in accordance with market conditions, since it will be determined through an accelerated book building procedure.

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 180 calendar days after the announcement of the outcome of the Directed New Share Issue. In addition, board members<sup>1</sup> and executive management<sup>2</sup> have undertaken not to sell any shares in Climeon for a period of 180 calendar days after the announcement of the outcome of the Directed New Share Issue, with customary exceptions.

---

<sup>1</sup> Chairman Per Olofsson and board members Vivianne Holm, Therese Lundstedt, Charlotte Strand, Olle Bergström, Jan Svensson and Thomas Öström.

<sup>2</sup> Thomas Öström, CEO, Christina Kassberg, CFO, Christina Bäck, Corporate Development, Carl Frykfeldt, Head of Supply Chain, Robin Goodore, Head of Service, Jonas Måhlén, Head of R&D and Olle Tholander, Head of Customer Management.

The Directed New Share Issue is subject to a resolution by the board of directors of Climeon, pursuant to the issue authorization given by the annual general meeting on 19 May 2020, to issue new Class B shares following the close of the book building.

## Advisers

Carnegie Investment Bank AB (publ) and Pareto Securities AB act as Joint Bookrunners and Baker & McKenzie Advokatbyrå KB is legal adviser in connection with the Directed New Share Issue.

## For more information, please contact:

Thomas Öström, CEO of Climeon, +46 708 94 96 05, [thomas.ostrom@climeon.com](mailto:thomas.ostrom@climeon.com)

Charlotte Becker, Investor Relations Climeon, +46 730 37 07 07, [charlotte.becker@climeon.com](mailto:charlotte.becker@climeon.com)

*This information is such that Climeon AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, at the time set out above.*

## About Climeon AB (publ)

Climeon is a Swedish product company within energy technology. The company's unique technology for geothermal heat power - Heat Power - makes a large untapped energy resource available and provides sustainable electricity around the clock all year round. Heat Power is a cheap and renewable energy source with the potential of replacing much of the energy that comes from coal, nuclear, oil and gas, today. The B share is listed on Nasdaq First North Premier Growth Market. Certified Adviser is FNCA Sweden AB, +46(0)8-528 00 399, [info@fnca.se](mailto:info@fnca.se)

## 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 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 the Company in any jurisdiction, where such offer would be considered illegal. This press release does not constitute an offer to sell or an offer to buy or subscribe for shares issued by the Company in any jurisdiction where such offer or invitation would be illegal. In a member state within the European Economic Area ("EEA"), this announcement is directed only to a qualified investor in that member state as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation").

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 offering 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 Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States 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.

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.

This press release is not a prospectus for the purposes of the Prospectus Regulation and has not been approved by any regulatory authority in any jurisdiction. Climeon has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed New Share Issue.

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 new shares. Any investment decision in connection with the Directed New Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Bookrunners. The Joint Bookrunners are acting for the Company in connection with the Directed New Share Issue and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Directed New Share Issue or any other matter referred to herein.

The information in this press release may not be forwarded or distributed to any other person and may not be reproduced at all. Any forwarding, distribution, reproduction or disclosure of this information in its entirety or in any part is prohibited. Failure to follow these instructions may result in a breach of the Securities Act or applicable laws in other jurisdictions.

This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed New Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information regarding the Company and its industry. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for 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 current expectations about and targets for 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 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 required by law or Nasdaq First North Premier 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 Climeon may decline and investors could lose all or part of their investment; the shares in Climeon offer no guaranteed income and no capital protection; and an investment in the shares in Climeon 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 Directed New Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

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.