

# THE BOARD OF DIRECTORS IN CLIMEON HAS DECIDED ON A FULLY GUARANTEED RIGHTS ISSUE OF APPROXIMATELY SEK 160 MILLION

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RELEASE

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**INSIDER INFORMATION:** The Board of Directors of Climeon AB (publ) ("Climeon" or the "Company") has today, by virtue of the authorization from the Company's Annual General Meeting on 18 May 2022, resolved to conduct a fully guaranteed new share issue of a maximum of 35 664 407 class B shares in Climeon with preferential rights for the Company's existing shareholders, in accordance with the previously published press release issued on 13 May 2022 (the "Rights Issue"). The subscription price in the Rights Issue has been set by the Board of Directors of the Company at SEK 4.50 and will, if fully subscribed, contribute with a consideration of approximately SEK 160 million for the Company before deduction of costs attributable to the Rights Issue. The Rights Issue is fully guaranteed by subscription commitments received from existing shareholders and guarantee commitments from external investors. As previously announced, the purpose of the Rights Issue is to strengthen the Company's financial position and to support the implementation of the Company's business plan and strategy with the commercialization of the next generation heat power technology, HeatPower 300. Furthermore, the Company's founder and board member Thomas Öström has informed the Board that he intends to convert 1,000,000 of his class A shares into class B shares in order to reduce the voting concentration in the Company, which is deemed positive to enable a further broadening of the Company's ownership base.

## Summary of the rights issue

- The Board of Directors of Climeon has today, based on the authorization granted by the Annual General Meeting of 18 May 2022, decided to carry out a fully guaranteed new share issue with preferential rights for the Company's existing shareholders.
- The Rights Issue comprises a maximum of 35,664,407 class B shares in Climeon and will, upon full subscription, raise proceeds of approximately SEK 160 million for the Company before deduction of costs attributable to the Rights Issue.
- Climeon intends to use the net proceeds from the Rights Issue for ongoing operational costs and the completion and commercialization of HeatPower 300.
- The record date for participation in the Rights Issue is 1 June 2022.
- The subscription period is intended to start on 3 June 2022 and end on 17 June 2022.
- Existing shareholders of the Company as of the record date of June 1, 2022 will receive one (1) class B subscription right for each class A or class B share held on the record date. Five (5) subscription rights entitle the holder to subscribe for three (3) class B shares in the Rights Issue.
- The subscription price in the Rights Issue is set at SEK 4.50 per share, which corresponds to a discount to TERP (theoretical share price after separation of subscription rights) of approximately 42.3 percent compared to the closing price as of 24 May 2022 on Nasdaq First North Premier Growth Market.
- Trading in subscription rights is expected to take place during the period 3 June 2022 to 14 June 2022.
- The rights issue is fully guaranteed by subscription commitments and guarantee undertakings.

### Terms and conditions of the Rights Issue

Holders of class A and class B shares in the Company who on the record date of 1 June 2022 are registered in the share register kept by Euroclear Sweden AB have preferential rights to subscribe for shares in the Rights Issue in proportion to the number of class A and class B shares held on the record date. For one (1) class A or class B share, one (1) subscription right is received, five (5) subscription rights entitle to subscription for three (3) class B shares.

The subscription price has been set at SEK 4.50 per share. Through the Rights Issue, the Company will receive approximately SEK 160 million before deduction of costs attributable to the Rights Issue. The Rights Issue will, if fully subscribed, increase the Company's share capital by SEK 534 966, from SEK 891 610 to SEK 1 426 576 and the number of shares in the Company will increase by 35 664 407 from 59 440 679 to 95 105 086, including class A shares. The number of votes will increase by 35 664 407 from the current 153 490 679 number of votes to 189 155 086 number of votes, disregarding Thomas Öström's conversion of 1 000 000 class A shares into class B shares. After the reclassification, the number of votes in the Company will be 180 155 086.

The subscription period for the Rights Issue will run from 3 June 2022 to 17 June 2022. The Company's Board of Directors has the right to extend the subscription and payment period, in which case this will be announced separately.

Shareholders who choose not to participate in the Rights Issue will have their shareholding diluted by approximately 37.5 percent upon full subscription in the Rights Issue (excluding remuneration to guarantors) based on the total number of shares in Climeon after the Rights Issue. Through the sale of subscription rights, shareholders who choose not to participate in the Rights Issue can be financially compensated.

### Subscription and guarantee commitments

Thomas Öström, Peter Lindell, Joachim Karthäuser, Olle Bergström, Fredrik Ljungström, Ann-Helene Ljungström, Stefan Lerneby, the SEB Foundation, Johan Sjögren, and Peter Bühler, representing in total 39 percent of the shares and 76 percent of the votes in Climeon directly or through companies as of the date of this announcement, have, by entering into subscription commitments, undertaken to subscribe to a total of 38 percent of the Rights Issue in accordance with the terms of the Rights Issue.

In addition, Modelio Equity and Wilhelm Risberg have, by way of guarantee commitments, undertaken to guarantee a total of SEK 100 million of the Rights Issue. The guarantors have the option to receive the guarantee payment in cash or in class B shares. The compensation, if paid in cash, amounts to 10 percent of the guaranteed amount and 12 percent if paid in Climeon class B shares. The number of class B shares is determined by calculating a volume weighted average share price (VWAP) on the Nasdaq First North Premier Growth Market during the subscription period.

The Rights Issue is thus fully guaranteed.

**Preliminary timetable for the Rights Issue**

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

Last day for trading in the Company's shares including the right to receive subscription rights	30 May 2022
First day of trading in the Company's shares excluding the right to receive subscription rights	31 May 2022
Record date for participation in the Rights Issue, i.e. shareholders who are registered in the share register maintained by Euroclear Sweden AB on this date will receive subscription rights entitling them to participate in the Rights Issue	1 June 2022
The Prospectus is approved by Swedish Financial Supervisory Authority and published on the Company's website	2 June 2022
Trading in subscription rights	3 June – 14 June 2022
Subscription period	3 June – 17 June 2022
Announcement of the final outcome of the Rights Issue	20 June 2022

**Advisor**

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

**Re-registration of 1 000 000 of Thomas Öström's class A shares**

Thomas Öström, with an ownership of 8 900 000 class A shares and 130 900 class B shares as of the date of this announcement, has chosen to reclassify 1 000 000 class A shares to class B shares with lower voting rights. The reclassification has been made in order to reduce the concentration of voting rights, which is considered to be positive in order to allow for a further broadening of the Company's ownership base. After the reclassification, but before the Rights Issue, Thomas Öström will control 55.5 percent of the votes in the Company, down from 58.1 percent previously.

**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](mailto:info@fnca.se).

Learn more at [climeon.com](http://climeon.com).

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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. A prospectus, equivalent to an EU growth prospectus, in respect of the Rights Issue referred to in this press release will be prepared and published by the Company prior to the commencement of the subscription period for the Rights 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 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

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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.*