



RiPASSO ENERGY

Västra Frölunda, November 1, 2017

Ripasso Energy carries out a new share issue in the amount of SEK 91.7 million (~14MUSD)
- Strengthens the PWR BLOK initiative and reprioritises resources



The market response in the wake of the launch of the PWR BLOK proved to be very positive, and potentially significantly larger than the company's initial assessment. For this reason, Ripasso Energy has today decided to raise additional resources for the PWR BLOK by:

- **resolving to carry out an issue of no more than 18,347,312 shares at a price of SEK 5 per share, which would provide the company with SEK 91.7 million before issue costs, if the issue is fully subscribed. The issue has already garnered subscription commitments in a total amount of approximately SEK 58 million, or around 63% of the ceiling of the share issue.**
- **The company is allocating resources away from the solar hybrid project in Sicily to the PWR BLOK. The reprioritisation entails shifting the solar hybrid project schedule forward by six months.**



Reasons for increasing the PWR BLOK investment

The PWR BLOK 400-F is a container-based solution in which the company's Stirling engines are used to extract energy from residual and flare gases. The process enables significant energy savings as well as cost reductions for industries in which residual gas is burned, for example in the South African and Chinese ferrochrome industries.

The market's strong response to the PWR BLOK has prompted Ripasso Energy to focus on this product area and to shore up its balance sheet in order to cover its warranty obligations, step up sales and marketing efforts, strengthen its delivery capacity and carry out cost-cutting measures related to the Stirling engine.

The company is currently expanding its production capacity as part of the PWR BLOK initiative to enable it to sell and deliver 100 Stirling engines in 2018, 1000 engines in 2019, and over 3000 in 2020. The unit cost of the engine drops rapidly with increasing volume. The company's board of directors deems that allocating additional resources to the PWR BLOK initiative is the best way to achieve high sales volumes.

The above should not be interpreted as an earnings forecast. The company's earnings depend on many factors, foremost the number of engines sold, their date of sale and the company's costs. How many engines the company will sell and when is difficult to estimate outside the context of individual projects. Information about orders or contracts generating sales is therefore specifically disclosed, provided that the information is deemed material to the market at the time in question.

Terms and conditions of the new share issue

Based on the Annual General Meeting's authorisation of 27 April 2017, the board of directors of Ripasso Energy has resolved to carry out a new share issue of no more than 18,347,312 shares, with a preferential right for the company's shareholders.

Briefly stated, the terms and conditions of the new share issue will be as follows:

- One (1) existing share entitles its holder to receive three (3) subscription rights
- Ten (10) subscription rights entitle their holder to subscribe for one (1) new share
- The subscription price is SEK 5 per share
- The record date for the right to receive subscription rights is 30 November 2017
- The subscription period is 4 December - 15 December 2017
- The final trading date for shares entitling their holder to receive subscription rights is 28 November 2017; the shares will trade without conferring a right to receive subscription rights as from 29 November 2017



- Trade in subscription rights will take place on the NGM Nordic MTF during the period 4 December - 13 December 2017
- Trade in paid-up subscribed shares will take place on the NGM Nordic MTF as from 4 December 2017 and until such time as the Swedish Companies Registration Office has registered the preferential rights issue.
- Approximately 63% of the issue has been underwritten by subscription commitments at no cost to the company

The prospectus for the new share issue is expected to be published by no later than around 3 December 2017.

The preferential rights issue increases the company's share capital by a maximum amount of SEK 183,473.12, and the number of shares outstanding will increase by a maximum of 18,347,312 shares, each with a quota value of approximately 0.01 SEK.

"We are now taking the final step toward building a profitable company that can grow very quickly. Because we are now able to focus entirely on the Stirling engine, we will be able to achieve considerable gains in terms of efficiency, power and cost. We will be able to benefit from this in both the PWR BLOCK and the solar hybrid business areas. Focusing on the PWR BLOK at this point seems like the obvious thing to do, as it offers such good economics to a large pool of potential customers," says Gunnar Larsson, CEO and founder of Ripasso Energy AB.

"We could have waited to carry out this share issue, but we saw that we will be able to achieve our goals faster by carrying it out now. This means that we will not have to compromise too much as we grow. An important criterion for us as we decided on the date was that it needed to be highly likely to drive us into positive cash flow territory," says Sven Sahle, Ripasso Energy AB's Chairman of the Board and its largest shareholder.

Törngren Magnell is acting as the legal advisor in connection with the new share issue. Eminova Fondkommission AB is the company's mentor and issuer in connection with the new share issue.

Update on the partnership with Horizon

The board of directors has decided to reallocate resources away from the partnership with Horizon in the area of solar hybrids in Sicily, shifting these resources to the PWR BLOK initiative instead, as the latter is expected to provide better returns. The redistribution of resources means that the timetable for the Horizon project will be postponed by around six months, meaning that the initial deliveries of three units are now expected to take place in 3Q 2018 (earlier estimate Q1 2018). The postponement also means that the estimated sales volume of 100 engines, with an estimated order value of EUR 4.8 million (with a positive gross margin), is now



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expected to occur in 2019 (earlier estimate 2018). These estimates relate only to sales under the Horizon partnership. The company's total turnover will be affected by other factors, primarily by PWR BLOCK sales performance. In addition, the company's cost base is broader than the costs attributable to the Horizon partnership. Sales estimates should therefore not be interpreted as an earnings forecast.

Ripasso Energy is required to disclose this information in accordance with the EU Market Abuse Regulation. The information was submitted for publication at the initiative of the above contact person on 1 November 2017 at 8:30.