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Västra Frölunda, Gothenburg, 7 March 2020

Swedish Stirling completes directed issues of MSEK 147

The Board of Directors of Swedish Stirling AB (publ) (“Swedish Stirling” or the “Company”) has resolved to carry out an issue of convertible bonds of up to MSEK 100, with deviation from the shareholders’ preferential right. Investors in the convertible bonds issue are Daniel Ek, CEO and founder of Spotify, and the entrepreneur David Zaudy. The issue of convertible bonds is subject to approval by an extraordinary general meeting to be held on 8 April 2020. Further, the Board of Directors of Swedish Stirling has, pursuant to the authorization granted by the annual general meeting on 26 April 2019, resolved on a directed share issue of 6,678,571 new shares in total, at a subscription price of SEK 7 per share, directed to a number of Swedish and international institutional investors. The issue of shares raises proceeds of approximately MSEK 47.

Daniel Ek, through an investment company, and David Zaudy invest MSEK 92 and MSEK 8, respectively, in total MSEK 100 in the Swedish clean tech company Swedish Stirling, by way of a convertible loan. At the same time, a number of Swedish and international institutional investors invest in total MSEK 47 by way of a directed issue of shares, raising proceeds of approximately MSEK 147 before issue costs for the Company.

Swedish Stirling has in a short period of time received a lot of interest and attention from the South African metal industry for the product PWR BLOK 400-F, and its unique ability to recycle the energy from industrial residual gases and convert them into electricity. The Company’s proprietary and patent-pending technology provides large cost savings and significantly reduced carbon dioxide emissions for customers.

Swedish Stirling recently demonstrated the technology for a number of selected investors, analysts and customers at the Company’s first commercial facility in South Africa.



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The purpose of the convertible loan and the directed share issue is to strengthen the Company's balance sheet and to finance (i) product development in order to decrease production costs and increase the efficiency of future generations of the Company's PWR BLOK, (ii) sales and marketing activities, (iii) expansion of the organization and the support facilities in South Africa, and (iv) implementation of an intellectual property rights (IPR) strategy. The issue of convertible bonds shall, with deviation from the shareholders' preferential right, be made to David Zaudy and an investment company owned by Daniel Ek. The issue of shares shall be directed to a number of institutional investors, identified by the Company. The reasons for the deviation from the shareholders' preferential right, in respect of both the issue of convertible bonds and the issue of shares, are, among other to increase the shareholder base with reputable Swedish and international institutional investors, which is expected to improve the liquidity in the share and increase the awareness of the Company. In addition, the deviation enables the Company to raise capital in a time and cost efficient way in order to support a continued expansion and development of the Company's operations.

The convertible bond issue in brief

The terms and conditions for the convertible loan, including the subscription price, have been established after negotiations with the subscribers. The Board of Directors, in consultation with the sole global coordinator and bookrunner in the transaction, considers that the terms and conditions for the convertible bond issue are on market terms.

On 7 March 2020, the subscribers in the convertible loan have subscribed for all convertible bonds in the issue. Subscribed convertible bonds shall be paid no later than on 30 June 2020.

The subscribers of the convertible bonds have also provided a loan of MSEK 20 in total to the Company, which incur an upfront fee and interest compensation fee of 15 per cent of the loan amount of MSEK 20. The loan shall be paid to the Company by 13 March 2020 at the latest. The intention is to repay the loans by set-off in the convertible bond issue.

The issue of convertible bonds is subject to approval by an extraordinary general meeting. Hence, the Board of Directors intends to convene an extraordinary general meeting to be held on 8 April 2020. The shareholders Dagny OÜ, AC Cleantech Growth Fund I Holding AB, Miura Holding Limited och East Guardian SPC, representing approximately 71 per cent of the shares and vote in the Company, have undertaken to vote for approval of the convertible bond issue at the extraordinary general meeting.



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For further information on the extraordinary general meeting, please refer to the notice in a separate press release.

In accordance with the Board of Directors' resolution, the convertible bonds are subject to the following terms and conditions:

- The nominal value of the convertible loan is up to SEK 100,000,000, allocated across up to 100,000,000 convertible bonds.
- Each convertible bond has a nominal value of SEK 1.00, which is also the subscription price per convertible bond.
- The convertible loan falls due on 30 June 2025 and carries an interest rate of 14 per cent per annum. The interest is payable quarterly in arrears.
- The holders of the convertible bonds are entitled to request conversion during the period from 2 May 2025 up to and including 16 June 2025. The holders of the convertible bonds are, however, entitled to early conversion in the event that the Company's shares are listed on a regulated market or that there is a change of control in the Company.
- The conversion rate is SEK 8 per share, meaning that the Company's share capital may increase by a maximum of SEK 125,000, and the number of shares in the Company may increase by a maximum of 12,500,000 shares. At full conversion this corresponds to a dilution of approximately 12.8 per cent.

There is no intention to list the convertible bonds on NGM Nordic SME or any other trading venue.

The issue of shares in brief

A number of Swedish and international institutional investors have, on 7 March 2020, subscribed for all 6,678,571 shares in the issue and the proceeds, amounting to MSEK 47 before issue costs, is expected to be available for the Company on or around 13 March 2020. The subscription price for the shares in the directed issue has been established after negotiations with a few number of institutional investors. The Board of Directors, in consultation with the sole global coordinator and bookrunner in the transaction, considers that the issue of shares is on market terms.

In accordance with the Board of Directors' resolution, the issue of shares is subject to the following terms and conditions:

- In total, 6,678,571 shares are issued.



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- The subscription price is SEK 7 per share, which has been established after negotiations with a few number of institutional investors. The subscription price corresponds to a discount of approximately 16.5 per cent of the closing price for the Company's share on NGM Nordic SME as of 6 March 2020.
- The issue of shares raises proceeds of approximately MSEK 47 before issue costs for the Company.
- The resolution on the issue of shares is made pursuant to the authorization granted by the annual general meeting on 26 April 2019.
- Through the issue of shares, the number of shares and votes in the Company will increase by 6,678,571 from 85,090,390 to 91,7168,961. The share capital will increase by approximately SEK 66,786 from approximately SEK 850,904 to approximately SEK 917,690.
- The issue of shares entails a dilution of approximately 7.3 per cent of the number of shares and votes in the Company.

Advisors

ABG Sundal Collier AB has acted as sole global coordinator and bookrunner in connection with the convertible bond issue and the directed share issue. Mannheimer Swartling Advokatbyrå has acted as legal advisor to Swedish Stirling.

For further information please contact:

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About Swedish Stirling AB

Swedish Stirling AB is a Swedish clean tech company founded in 2008 with a mission to further refine the incomparable ability of Stirling technology to convert thermal energy to electricity. The company's latest product – the PWR BLOK 400-F – is a unique proprietary solution for recovering energy from industrial residual and flare gases and convert them to 100 % carbon-neutral electricity with high efficiency. The PWR BLOK is – according to independent certification – the cheapest way of producing electricity that exist today and gives greater CO2 savings per invested Euro than any other type of energy source. The company's shares are listed in Sweden on the NGM Nordic SME. Read more at www.swedishstirling.com



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This information is information that Swedish Stirling AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 13.00 CET on 7 March 2020.

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Any investment decision in connection with the issues 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 Sole Bookrunner. The information contained in this announcement 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.

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