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Press release September 15, 2017

## Climeon announces its intention to list on Nasdaq First North Premier

**Climeon AB (publ) ("Climeon" or the "Company"), a technology company that has developed a technology that utilises the energy contained in waste heat from industries and from low temperature geothermal heat to generate electricity, announces today its intention launch an initial public offering and list its B-shares on Nasdaq First North Premier (the "Listing") and to raise capital through an issue of new B-shares, for the financing of the future growth of the Company (the "Offering").**

### The Offering in brief

- The Offering is expected to comprise a maximum of 6,451,614 newly issued B-shares, corresponding to approximately 15 percent of the outstanding shares and approximately 4 percent of the votes after the Offering.
- In addition, in order to cover any over allotment, the Company is expected to commit to, upon Pareto Securities' request, issue a maximum of an additional 967,742 new B-shares in the Company, corresponding to a maximum of 15 percent of the shares included in the Offering (the "**Over allotment Option**").
- If the Over allotment Option is fully exercised, the Offering will comprise a maximum of 7,419,356 B- shares, corresponding to approximately 17 percent of the total number of shares and approximately 4 percent of the votes in the Company after the Offering.
- The Offering is expected to be conducted at a fixed price of SEK 31 per share, corresponding to a total value of all the Company's shares of circa SEK 1,100 million, before the Offering.
- The Company has outstanding warrants which gives the right to subscribe to 3,056,100 B-shares<sup>1</sup> in Climeon. After the redemption of all warrants the total number of shares in the Company will amount to 38,752,900 excluding the shares in the Offering, which corresponds to a total implied value of the Company's shares of SEK 1,200 million excluding the shares in the Offering.
- The new share issue that is conducted as a part of the Offering is expected to render proceeds of SEK 200–230 million to the Company before transaction costs, depending on the extent of the exercise of the Over allotment Option.
- Five Swedish institutions have ahead of the Offering, under certain conditions and at the same price as other investors, committed to subscribe for B-shares corresponding to a total of SEK 100 million or 50 percent of the Offering excluding the Over allotment Option. These subscription commitments include:
  - Ålandsbanken Fondbolag AB: SEK 30 million;
  - LMK Venture Partners AB: SEK 30 million;
  - Alfred Berg Kapitalförvaltning AB: SEK 15 million;
  - Gullspång Invest AB: SEK 15 million;
  - Blue AB: SEK 10 million.
- The Company has also received non-binding commitments from existing shareholders to invest a total of circa SEK 90 million in the Offering.
- The Offering is directed to the general public in Sweden and institutional investors in Sweden and internationally.
- A prospectus with the complete terms and conditions of the Offering is expected to be published on or around September 22, 2017.

<sup>1</sup> Per the day of this press release the Company has 30,561 outstanding warrants, which gives the right to subscribe for 3,056,100 B-shares in Climeon AB.

- Pareto Securities is acting as Global Coordinator and Sole Bookrunner. Avanza is Selling Agent and Baker McKenzie is the legal advisor in connection with the Offering.

**Thomas Öström, CEO, comments:**

*“Climeon has made a fantastic journey since 2011 when we founded the company – we have developed a revolutionary technology with large potential within our segment for clean and renewable energy. The product – Climeon Heat Power system – has become both technologically and commercially proven and we have built our organisation to be able to sustain large sales volumes. We have seen an increase in customer interest the past year and we now have a growing pipeline of potential customer projects. In order to be able to capitalise on the opportunities that are ahead of us we see a capital raise and listing as the next natural step in our development. A listing is welcomed by me and the board and will provide additional assurance to our current and potential customers.”*

**Per Olofsson, Chairman of the Board, comments:**

*“I am confident in the management which has taken Climeon from being a development company to a business-driven company with a growing order intake and large-scale production capabilities. Already in 2015 Climeon delivered their first systems to customers – now we see larger customer projects and orders from global companies such as Maersk Line, Virgin Voyages and a world-leading Indian steel producer, as well as repeat orders from Viking Line and SSAB. The upcoming capital raise and listing will give Climeon the power to accelerate to the next level and keep pace with the sales growth, which has already taken off.”*

**Background to the Offering**

The purpose of the Offering is to finance the Company's continued growth until the Company reaches a positive cash flow from operating activities, as well as to increase the profile and knowledge of Climeon internationally among customers as well as current and potential partners. Of the proceeds from the Offering after transaction costs, approximately SEK 49 million is intended to be used to expand the sales and marketing organisation, in part through recruitment in Sweden but also locally in specific geographical areas or through external sales partners; approximately SEK 49 million is intended to be used for an expansion of the service and delivery organisation in order to serve a larger and global customer base; approximately SEK 40 million is intended to be used for product development where the priority is to increase the reliability of the system and reduce production costs, however a number of easily implemented efficiency improvements are also planned for 2017; approximately SEK 40 million is intended to be used to finance operating activities until the Company has achieved a positive cash flow, and the remaining SEK 10 million will be used to repay short-term loans. If the Overallotment Option is used in its entirety the proceeds from the option will be distributed proportionally between the above described usage areas.

**About Climeon AB (publ)**

Climeon provides a technology that uses the energy in waste heat from industries and low-temperature geothermal heat to generate electricity. The Company received its first order in 2015 and has since then built up a customer base consisting of Viking Line, Virgin Voyages/Fincantieri, Maersk Line, CP Energy and SSAB, among others. It has now reached a stage where it has proven its technology and its commercial marketability through repeat orders from leading players in a number of industries. The product is protected by patents and offers market-leading performance within its areas of application. Climeon has also built a scalable organisation with a high production capacity and an experienced management team primed for rapid growth.

**Climeon's market and focus segments**

Waste heat and geothermal energy (below 120°C) jointly comprise a vast energy source that is largely untapped today due to limitations of existing technologies. Climeon's product is the first heat recovery system to be able to utilise this previously unexploited source of energy on a large scale to produce electricity. The Company has therefore the opportunity to enter in a new market with limited competition. Climeon is currently focusing on four market segments: maritime, steel and cement production, genset (generators) and geothermal energy.

**For additional information, please contact:**

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