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Swedish Stirling resolves on rights issue of approximately SEK 200 million and announces terms

The Board of Directors of Swedish Stirling AB (publ) ("Swedish Stirling" or the "Company") announced, on 9 November 2022, an intention to carry out a new issue of ordinary shares of approximately SEK 200 million before transaction costs, with preferential right for the Company's existing shareholders (the "Rights Issue") to finance the serial production and commercial rollout of PWR BLOK. The Board of Directors has today, based on the authorisation from the Extraordinary General Meeting held on 28 November 2022 (the "EGM"), resolved on the Rights Issue, including final terms.

Summary of the Rights Issue

- Those who are registered as shareholders in Swedish Stirling on the record date, 6 December 2022, will receive one (1) subscription right for each ordinary share held. Eight (8) subscription rights entitle to subscription for eleven (11) new ordinary shares, i.e. a subscription ratio of 11:8.
- The subscription price has been set at SEK 1.13 per new ordinary share, which implies that Swedish Stirling will raise gross proceeds of approximately SEK 200 million before transaction costs, provided that the Rights Issue is fully subscribed. The net proceeds from the Rights Issue of not more than approximately SEK 173 million will mainly be used to finance the serial production and commercial rollout of PWR BLOK.
- The subscription period will run from and including 7 December 2022 up to and including 21 December 2022.
- The last day of trading in the Swedish Stirling shares including the right to participate in the Rights Issue is 2 December 2022.
- Trading in subscription rights will take place during the period from and including 7 December 2022 up to and including 16 December 2022.
- A number of existing shareholders, Chairman and largest shareholder Sven Sahle (through Dagny OÜ), East Guardian SPC, Miura Holding Ltd, Ahlström Capital (through AC Cleantech Management Oy) and Alexander af Jochnick as well as Board Members Gunilla Spongh and Erik Wigertz, have undertaken to

subscribe for ordinary shares representing approximately 30 per cent of the Rights Issue. In addition, a number of external investors have entered into underwriting commitments corresponding to approximately 50 per cent of the Rights Issue. The Rights Issue is thus covered to approximately 80 per cent by subscription and underwriting commitments, corresponding in total to approximately SEK 160 million.

Background and rationale in summary

Swedish Stirling is a Swedish clean-tech company that was founded in 2008 to further develop the ability of the Stirling technology to convert thermal energy into electricity. The Company's underlying technology is based on Saab Kockums AB's Stirling engine for submarines. By adapting and further developing the technology, Swedish Stirling has constructed a Stirling engine with great effect and high efficiency. The Company's product, PWR BLOK, is a proprietary solution for recycling energy from industrial waste gases and waste heat and converting these into 100 per cent carbon dioxide-neutral electricity with high efficiency.

In order to enable continued growth and to be able to continue executing on the commercial rollout of PWR BLOK, which includes, among other things, investments in tools and components to enable serial production as well as working capital for the production of PWR BLOK and to strengthen the organisation with expertise in relevant areas, the Board of Directors of the Company has resolved to carry out the Rights Issue. Upon full subscription of the Rights Issue, Swedish Stirling will raise gross proceeds of approximately SEK 200 million before transaction costs. The net proceeds of not more than approximately SEK 173 million from the Rights Issue are mainly intended to finance the serial production and commercial rollout of PWR BLOK. The net proceeds are also intended to finance the repayment of an existing loan to the af Jochnick family of SEK 10 million, product development as well as working capital.

Terms and conditions of the Rights Issue

Those who are registered as shareholders in Swedish Stirling's share register maintained by Euroclear Sweden on the record date, 6 December 2022, will receive one (1) subscription right for each ordinary share held. Eight (8) subscription rights entitle to subscription for eleven (11) new ordinary shares. To the extent that new ordinary shares are not subscribed for by exercise of subscription rights, they shall be allotted to shareholders and other investors who have subscribed for ordinary shares without exercise of subscription rights. Any remaining ordinary shares shall be allotted to the external investors who have entered into underwriting commitments with the Company up to their respective underwritten amount. As confirmation of the allotment of new ordinary shares subscribed for without subscription rights, a settlement note will be sent to subscribers on or around 23 December 2022. No notice will be sent to subscribers who have not received an allotment.

Provided that the Rights Issue is fully subscribed, the share capital will increase by no more than SEK 1,765,764.66 through the issuance of no more than 176,576,466 new ordinary shares. The subscription price has been set at SEK 1.13 per new ordinary share. Provided that the Rights Issue is fully subscribed, Swedish Stirling will

consequently raise gross proceeds of approximately SEK 200 million before transaction costs.

The record date for participation in the Rights Issue is 6 December 2022. The shares are traded including right to receive subscription rights up to and including 2 December 2022, and the first day of trading in shares excluding right to receive subscription rights is 5 December 2022. The subscription period runs from and including 7 December 2022 up to and including 21 December 2022. Trading in subscription rights will take place on Nasdaq First North Premier Growth Market during the period from and including 7 December 2022 up to and including 16 December 2022. The Board of Directors of Swedish Stirling has the right to extend the subscription period, which in such case will be announced through a press release at the latest on 21 December 2022.

Existing shareholders who choose not to participate in the Rights Issue will have their ownership diluted by a total of 176,576,466 new ordinary shares, corresponding to approximately 58 per cent of the total number of ordinary shares after the Rights Issue, provided that the Rights Issue is fully subscribed, but are able to be financially compensated for the dilution by selling their subscription rights. Unexercised subscription rights must be sold no later than 16 December 2022 in order not to lapse without value.

Subscription and underwriting commitments

A number of existing shareholders, Chairman and largest shareholder Sven Sahle (through Dagny OÜ), East Guardian SPC, Miura Holding Ltd, Ahlström Capital (through AC Cleantech Management Oy) and Alexander af Jochnick as well as Board Members Gunilla Spongh and Erik Wigertz, have committed to subscribe for ordinary shares in the Rights Issue amounting to approximately SEK 59 million, corresponding to approximately 30 per cent of the Rights Issue. In addition, a number of external investors have entered into underwriting commitments amounting to approximately SEK 101 million, corresponding to approximately 50 per cent of the Rights Issue. In total, subscription and underwriting commitments amount to approximately SEK 160 million, corresponding to approximately 80 per cent of the Rights Issue.

An underwriting fee will be paid to the underwriters, based on current market conditions, of 14 per cent of the underwritten amount. No fee will be paid for subscription commitments from existing shareholders. Neither the subscription commitments nor the underwriting commitments are secured through bank guarantees, restricted funds, pledged assets or similar arrangements.

Further information regarding the parties who have entered into subscription and underwriting commitments will be presented in the prospectus that will be published in connection with the Rights Issue.

Lock-up undertaking

The Company has undertaken towards ABG Sundal Collier and Bryan, Garnier & Co, subject to customary exceptions, not to issue additional shares or other share-related

instruments for a period of 90 days after the announcement of the final outcome of the Rights Issue.

Prospectus

Complete information regarding the Rights Issue and information about the Company will be included in the prospectus that is expected to be published on or around 5 December 2022.

Preliminary and indicative timetable for the Rights Issue

- **2 December 2022:** Last day of trading including right to participate in the Rights Issue with preferential right
- **5 December 2022:** Publication of the prospectus
- **5 December 2022:** First day of trading excluding right to participate in the Rights Issue with preferential right
- **6 December 2022:** Record date for participation in the Rights Issue
- **7 December–21 December 2022:** Subscription period
- **7 December–16 December 2022:** Trading in subscription rights
- **22 December 2022:** Announcement of preliminary outcome of the Rights Issue
- **23 December 2022:** Announcement of the final outcome of the Rights Issue

Advisors

ABG Sundal Collier AB and Bryan, Garnier & Co act as financial advisors and Joint Bookrunners and Mannheimer Swartling Advokatbyrå acts as legal advisor in connection with the Rights Issue.

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 below on 29 November 2022 at 21:00 CET.

For further information please contact:

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About Swedish Stirling AB

Swedish Stirling 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 into electricity. The company's latest product, the PWR BLOK unit, is a unique proprietary solution for recovering energy from industrial residual gases and heat, and for converting this into 100 percent carbon-neutral electricity with high efficiency. The company's vision is to establish Stirling technology as the best option for local, sustainable electricity generation. Swedish Stirling AB is listed on Nasdaq First North Premier and FNCA Sweden AB is appointed Certified Adviser, +46(0)8-528 00 399, info@fnca.se. Read more at www.swedishstirling.com.

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