

Nilar intends to list the company's shares on Nasdaq First North Premier Growth Market

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Nilar International AB (publ) ("Nilar" or the "Company"), an innovative developer of batteries and electrical energy storage systems for stationary applications, today announces the intention to list the Company's shares on Nasdaq First North Premier Growth Market (the "Listing"). The Company intends to conduct an offering of shares to the public in Sweden and to qualified investors in Sweden and internationally (the "Offering"). The Offering is expected to consist of only new shares issued by the Company. Nasdaq Stockholm AB has made the assessment that Nilar fulfils the applicable listing requirements, provided that certain customary conditions are fulfilled.

In order to support Nilar's continued growth, create a stable, long-term foundation for the Company's continued development and growth, and create conditions for expanding the Company's production capacity, Nilar's Board of Directors has decided to diversify the Company's shareholder base through the Offering, which is directed to the general public in Sweden and to institutional investors in Sweden and internationally. For these reasons, the Board of Directors has applied for listing of the Company's shares on the Nasdaq First North Premier Growth Market.

Marcus Wigren, CEO of Nilar, comments:

For several years, Nilar has developed safe batteries to the rapidly growing European market for energy storage systems, with a focus on storing solar power and balancing energy supply and demand in buildings close to people, where safety is a key concern. Nilar's systems have been installed in offices, public properties, industrial premises and in villas. End customers are mainly located in Germany, the Benelux, Italy, the UK and the Nordic countries.

Having experienced strong demand, Nilar is now expanding rapidly, both in the factory in Gävle and with preparations for a new factory abroad, planned to be located in Estonia and be operational in 2022. We are thus ready for the next step in Nilar's growth agenda, where a listing is an important pillar for the continued growth journey ahead.

Michael Obermayer, Chairman of the Board of Directors of Nilar, comments:

In the preparations for continued rapid growth and a market listing, Nilar's Board of Directors has focused on four important initiatives:

- Over the past 18 months, Nilar's management has been significantly strengthened with expanded production management, a new head of R&D, a strengthened finance function and an expanded management within global supply-chain management*
- The product portfolio has been expanded with a new type of battery to meet the needs of new customer segments*
- Strategic partnerships have been established with partners covering large parts of Southern Europe*
- The plan to expand outside Sweden and establish a new factory abroad has been initialised with the preparations to launch the project now at an advanced stage*

Thereby, and with the support of strong Nordic institutional shareholders and the European Investment Bank, the Board has concluded that Nilar is prepared and ready for a market listing of the company's shares.

The Offering in brief

In connection with the Listing, the Company intends to issue shares offered to the public in Sweden and to qualified investors in Sweden and internationally. The Offering is expected to only include newly issued shares in the Company corresponding to an amount of approximately SEK 750 million (before deduction of costs related to the Offering and excluding the customary over-allotment option).

Full terms, conditions and instructions for the Offering will be included in the prospectus that will be prepared by the Company in connection with the Offering. The prospectus will be published on the Company's website, www.nilar.com.

AFA Försäkring, BNP Paribas Energy Transition Fund, Fjärde AP-fonden (AP4), Första AP-fonden (AP1), funds managed and advised by Handelsbanken and Länsförsäkringar Fondförvaltning have, subject to certain conditions, undertaken to acquire shares in the Offering for an amount of approximately SEK 489 million based on a valuation of up to approximately SEK 3.15 billion (total value of all outstanding shares following the Offering, assuming that the customary over-allotment option is fully exercised).

About Nilar

Nilar is a Swedish-based developer and manufacturer of stationary energy storage systems, so-called Electrical Energy Storage (ESS) systems. Energy storage systems can be used to bridge imbalances between energy production and demand in order to, for example, improve the utilisation of intermittent electricity production from renewable energy sources, such as solar energy and wind power, as well as to strengthen the increasingly strained power grids. Nilar's battery technology is nickel-metal hydride-based (NiMH) with a water-based electrolyte, which results in a strong environmental and safety profile together with a competitive price over a life cycle.

The company is headquartered in Täby and the energy-efficient production facility is, since 2012, located in Gävle, where the Company's research and development also takes place. The company is currently expanding its capacity in Gävle by installing new production lines and improving the efficiency of the lines already in place. Despite a strong expansion of production capacity, the Company's sales growth has been limited by the facility's production capacity. With funds from the Offering, the Company intends to finance additional production lines in Gävle and to gradually expand through a new factory, planned to be located in Estonia.

Key strengths and competitive advantages

- Positioned in a rapidly growing market
- Patented battery technology with distinct product benefits for stationary applications
- Proven execution capabilities from numerous system deliveries in large parts of Europe
- Agile production facility in place with scalable and patented manufacturing processes
- Multiple growth avenues ahead including targeting new customer segments and introducing aftermarket services

Financial targets

- **Net sales to amount to at least SEK 1 billion in 2023** through increased production capacity from additional production lines in the Gävle factory and through establishing a second factory in Estonia
- **Long-term EBITDA margin of at least 20 percent.** Profitability improvements are expected to be achieved through economies of scale effects, a larger share of production in low-cost regions and by introducing after-market services

Advisors

Carnegie Investment Bank AB (publ) ("**Carnegie**") is Sole Global Coordinator and Joint Bookrunner. Joh. Berenberg, Gossler & Co. KG ("**Berenberg**") is Joint Bookrunner. Baker McKenzie is legal advisor to the Company. Gernandt & Danielsson Advokatbyrå is legal advisor to Carnegie and Berenberg.

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The information in this press release has been made public through the agency of the responsible person set out above for publication at the time stated the Company's news distributor, Cision, at the publication of this press release

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be prepared in connection with the Offering and be scrutinized and approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) which is the national competent authority in Sweden with regard to the Prospectus Regulation.

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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 Premier 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 Nilar 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 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 "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Nilar may decline and investors could lose all or part of their investment; the shares in Nilar offer no guaranteed income and no capital protection; and an investment in the shares in Nilar 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 Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 UK MiFIR; 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 Nilar.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Nilar and determining appropriate distribution channels