



Invitation to subscribe shares in Stirlingversal AB (publ)

RIGHTS ISSUE

October 31, 2023

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*Stirlingversal will deliver its  
first order to customer*

## OFFER IN BRIEF

### **Use of issue proceeds**

A contract has recently been signed for delivery of Stirling engine modules to partner and customer in China.

The capital raised in this investment round will be used for further interface optimization in Sweden and China, mobilization of production resources to start serial production at our subsidiary in Kunshan, China, and to finalize the construction of a demo site at our partner's facility in China, to provide further exposure to the huge Waste-To-Energy (W2E) market in China and South East Asia.

A new investment round is planned during the first half of 2024 to ensure cash-flow and resources to build our production and commercial organization. As Stirlingversal is entering a new phase as a sales and production company with a product on the market we have started the process to partner up with investors with industrial background to create long-term stability and growth capabilities.

### **SUBSCRIPTION TIME**

NOVEMBER 03 – NOVEMBER 24, 2023

### **SUBSCRIPTION LOT**

PRO RATA (Minimum lot size 100 shares)

### **SUBSCRIPTION PRICE**

16 SEK

### **ISSUE VALUE**

8 000 000 SEK

### **ISSUE VOLUME**

500 000 SHARES

### **NUMBER OF SHARES (PRE-ISSUE)**

1 378 206 SHARES

### **VALUATION (PRE-MONEY)**

22 051 296 SEK

## IMPORTANT INFORMATION REGARDING THE MEMORANDUM

### **Definitions**

Throughout this Memorandum the following definitions apply, unless otherwise expressly stated. The "Company" or "Stirlingversal" refers to Stirlingversal AB (publ) with corporate registration number 559096-2105. Cofunding Group refers to Cofunding Group K/S with corporate registration number 25150260 and "Recipient" is the recipient of this Memorandum.

### **Preparation of this Memorandum**

This Memorandum has been produced by the management of Stirlingversal AB (publ). Cofunding Group K/S has assisted the Company in the compilation of this Memorandum. The Board of Directors are responsible for the content of the Memorandum. Cofunding Group is in no way responsible for the content of this Memorandum. Cofunding Group is not responsible for any future investments in the Company.

### **Exposure of this Memorandum**

The purpose of the Memorandum is to assist in the valuation of a potential investment in the Company. The recipient of this Memorandum is encouraged to use it exclusively for this purpose.

### **Exemption from the Prospectus requirement**

The Memorandum is exempt from the law regarding trading with financial instruments requiring a Prospectus in accordance with the European parliaments and the European council regulations 2017/1129 ("Prospectus Regulation"). The issue is exempt from the Prospectus regulation in accordance to law (2019:414) with supplementary regulations to the EU prospectus regulation. The offer is a Rights Issue for the shareholders of the Company, and other investors if not all shares are subscribed by the current shareholders and is exempt from registration with the Swedish FSA. This Memorandum has not been examined, nor approved, by the Finansinspektionen (the Swedish FSA).

### **Dissemination of the Memorandum**

This Memorandum is aimed at investors who do not need further prospectuses or other arrangements as per Swedish

law. This Memorandum may not be disseminated in Australia, Japan, Canada, New Zealand, USA, and South Africa, Russia and Belarus or any other country where further requirements must be met. In regard to this Memorandum, Swedish law applies and any dispute shall be settled in a Swedish Court. The Recipient of this Memorandum is encouraged to perform his, or her, own due diligence of the Company. This should also include consultation with professional advisors about the legal, financial, tax and other potential consequences that may arise through an investment in the Company.

### **Statements about the future**

Statements in this memorandum concerning the future, or future events in all regards, reflects the board of directors' current view of the future. The Recipient should realize that these projections are based on the facts as they were at the time of the writing of this memorandum. These projections are based on the best available information but are as always associated with a level of uncertainty.

### **Tax**

According to the laws of the country of which you are a resident.

### **Obtaining the Memorandum**

The Memorandum can be obtained from the Company or Cofunding Group. Contact information is to be found under section "Terms & Conditions" or "Contact Information".

### **The Board Assures**

The Board hereby assures that all reasonable precautions have been taken, as far as the Board is aware, to ensure that all the information in the memorandum complies with the facts and that no relevant information has been left out. Furthermore, the Board assures that all information from external sources has been reproduced in a correct manner.

Lund October 31, 2023

*The Board of Stirlingversal AB (publ)*

## TERMS & CONDITIONS

### **Decision regarding the issue**

Based on the authorization from the general meeting June 30, 2023, the Board decided October 31, 2023, to increase the Company's share capital by a maximum of 320 020 SEK through a rights issue of a maximum of 500 000 shares.

### **Subscription amount**

The subscription price is 16 SEK per share. No commission is charged.

### **Number of lots**

The offer is a rights issue.

### **Lot size**

Shares are subscribed pro rata, then in whole lots by the public. Current shareholders have the right to subscribe for more than their pro rata right if not subscribed in full by the current shareholders. One (1) lot for the public, is an offer to subscribe for 100 shares at 16 SEK per share for a total value of 1 600 SEK per lot.

### **Subscription period**

Subscription of shares will take place during the period: November 3, 2023 – November 24, 2023. The Board in the Company is mandated to extend the subscription period at their discretion.

### **Investors**

Individuals of the general public as well as institutional investors are entitled to subscribe to the issue.

### **Foreign investors**

Investors residing outside Sweden who are eligible to subscribe to the issue may contact the Company or Cofunding Group. Contact information can be found below. The above-mentioned companies will assist with information concerning subscription and payment.

### **Valuation**

The Company's valuation is 22,05 MSEK (pre-money).

### **Subscription**

The subscription period stretches from November 3, 2023 – November 24, 2023. Subscription is done by sending the correct and complete filled-in application form to Stirlingversal by mail or scanned via e-mail.

Completed application form shall be at Stirlingversal no later than November 24, 2023. There is no possibility to reduce the number of shares on the subscription form. Only one subscription form can be submitted per person. If more than one subscription form is submitted the last submitted subscription form will be considered. In the event of late submission of a subscription form, as well as incomplete subscription form, the subscription form can be disregarded; No modifications or additions may be made in the pre-printed text.

*The subscription application is binding and cannot be retracted.*

### **Subscription forms**

Subscription forms may be obtained through contacting:

Stirlingversal AB (publ)  
Scheelevägen 17  
223 63 Lund, Sweden  
Phone: +46 702 565 3580  
E-mail: johan.arrhenius@stirlingversal.com

Cofunding Group  
Kronprinsessegade 46 E  
1306 Copenhagen K, Denmark  
Phone: +45 60137786  
E-mail: info@cofundinggroup.com

**Allocation of subscription**

The allocation of subscription is taken by the board of directors after which the investors will be notified of any allocation by a contract note by e-mail. The investors who have not received allocation will not be notified. The Board of Directors' allocation decision may differ from the notifications in respect of distribution. Assignment is not guaranteed but may be absent or occur with a lower number of items other than the notification is submitted.

**Payment**

The shares shall be paid in cash at the latest three (3) bank business days after dispatch of the bill showing the notification of allocation of shares. The Board of Directors has the right to extend the time for payment. If the shares are not paid in cash at the right time, the shares may be transferred to others. Would the selling price for such

transfers be lower than the price in the offer, the person(s) that originally received the shares will have to answer for the whole or part of the difference.

**Delivery of shares**

Delivery of shares will take place as soon as the share issue has been registered with Bolagsverket (the Swedish companies registration office).

**Shareholders register**

Stirlingversal's shareholder register is held by Nordiska Värdepappersregistret.

**Miscellaneous**

All shares in this issue are newly issued. This means that no physical or legal person will be selling any shares in conjunction with this offer.

## SELECTED RISK FACTORS

### **Introduction**

Business activities and investing in shares is always associated with risk and Stirlingversal AB (publ) is no exception to this rule. A number of factors outside the control of the Company can have an impact on its result and financial position, as well as many factors which the Company is able to influence through its actions. In addition to the information contained in this Memorandum, every potential investor should make his/her own assessment of each risk factor and what it may mean for the future potential of the Company. This review highlights the most obvious risks facing the Company. The assessment below does not claim to be complete.

### **Financial risk**

The Company is a scale-up company and there is thus a risk that the Company's resources are insufficient and that the Company will need to add additional capital over time. It cannot be excluded that it may take longer than expected to achieve continuous and stable earnings.

### **Currency risk**

Stirlingversal acts globally both regarding suppliers /subcontractors, customers, and operations therefore, Stirlingversal is exposed to currency risks. To mitigate those risks different measures are taken such as; Maximizing the use of one currency only in all contracts i.e. euro. Where possible indexing monetary values related to applicable currencies. For large commitments consider the use of adequate currency basket. Allocating bank accounts designated to specific currencies i.e. SEK, EUR, USD, RMB.

### **Supplier risk**

The company sources globally, mainly relying on an efficient and low-cost industrial supply chain in China. This carries a risk of component delivery delays due to supplier technical and quality instability as well as the current Covid situation in China. However, our team in China is there to manage and mitigate this risk.

Procurement outside of China is mainly concentrated in Europe and the United States. Based on the global supply chain situation, component supply shortages due to lack of

raw material and price fluctuations is considered the main risk here during the next few years.

### **Liquidity risk**

Stirlingversal is a small company with limited cash equivalents. The planned emission ensures liquidity for the Company's needs in the near future. The risk of lacking cash in new companies is always somewhat existent for scale-ups. The likelihood that the Company would have difficulty in fulfilling its payment commitments may occur if financing and expansion do not follow each other carefully. The Company and its management carefully follow the development of costs and revenues as well as the financing plan to avoid and eliminate this risk as far as possible.

### **Competitive risk**

There are comparable competitors within the Company's business area. There is a risk that there will be more players in the market in the future, as the Company's niche industry is on the rise and that there are financially strong players in the industry. In the short and medium term, this is a relatively small risk. At the same time, the market is growing and is large, which makes room for more companies. Due to an exclusivity agreement, our partner can only use our Stirling technology on the huge market in China for the jointly developed hot flue gas solution.

### **Political risk – legislation**

The Company's operations are in green energy which is the focus point of most governments within the EU. The Company estimates that there are currently no political risks associated with the Company's operations. However, business activities in China may be affected due to strained relations between China and Europe. In that context, it should be noted that the manufacturing activities (assembling of Stirling engine units) in China are structured such that those activities can be transferred to other regions (e.g., Europe, US) with limited efforts. Globally, the war in Ukraine has a negative effect on delivery of materials containing high level of nickel and chromium, which also has a negative effect on Stirlingversal. However, subject war also has a positive effect on the demand for our type of energy solutions.

**Key personnel risk**

Stirlingversal has a smaller number of key personnel who, with their knowledge and broad competence, have positioned the company and acted and secured its partner agreement. Through ownership, these key individuals are given the opportunity to continue to promote good development and financial gain within the Company, and thereby have incentive to stay on. In scaling up the company, the need for recruitment is obvious. The location of Stirlingversal and its wholly owned subsidiary in China has been carefully selected to areas with readily access to skilled resources well suited for our business applications. This is further strengthened by collaborations with external strategic partners also operating close to our facilities.

**Operational risk**

The risk of harm incurred by internal and external inadequate routines is minimized by using the best external service and security service providers. Internal and external procedures, legal requirements, regulations etc. To minimize any risk of harm within the organization, applicable directives, regulations, quality standards and processes will be used to provide a safe way of company functions and operations.

**Technical risk**

Stirlingversal specializes in renewable energy production plants, which entails technical risks for systems. The technical risk for the key product, the Stirling engine, is relatively low as variations of this engine design over long time has gained substantial operational experience from a variety of applications. The main challenge is the integration of other systems, which in some instances Stirlingversal may not have the same control as for the core product. Other technical risks may be related to the introduction of new components suppliers related to further cost reduction measures when entering volume production.

**Liability risk**

The Company has proper indemnity insurance through the insurance company If (liability insurance).

**Risks concerning achieving sufficient sales**

It cannot be established with certainty that the Company's services and related products receive the market penetration as reflected in this Memorandum. Sales may be lower and market opening may take longer than the Company today has reason to expect.

**Litigations**

The Company has at this moment no legal disputes.



## STIRLINGVERSAL IN SUMMARY

### **Greentech company**

Stirlingversal, a Swedish privately-owned company, seeks to become a key player on the global market for environmentally friendly energy systems by using cutting-edge technology. Stirlingversal develops, manufactures, and sells robust distributed and dispatchable energy systems using advanced Stirling engine technology. The Stirling engine is a heat engine capable of converting heat from an external heat source to electrical power. By utilizing the Stirling technology, Stirlingversal provides options for sustainable clean local energy generation with primarily renewable energy sources such as various types of bioenergy and by utilizing waste-to-energy resources.

### **Customers & Orders**

A contract has recently been signed with Haiqi, our partner and customer in China. The contract value is around 4.2 million SEK. It is to be noted that this first order to Haiqi has a positive gross margin. The contracted units will be delivered in two batches, in May 2024 respectively August 2024.

We expect more order agreements to be entered as soon as the demonstration facility in China is running, both from Haiqi's customer base as well as from our own contacts. Delivery times for these orders will have to be balanced with the ramping up of production and support capability to ensure that we can deliver what we promise. But all orders will involve a pre-payment from the end-customer.

### **Vision**

Stirlingversal's vision as a Greentech company is to develop first class environmentally sustainable, on-demand energy solutions close to the customers/consumers using energy resources that today are going to waste or not used efficiently.

### **Objectives**

Stirlingversal's business idea is to offer reliable, cost-efficient, distributional and dispatchable energy systems based on our unique Stirling engine technology.

To become a key player on the global market for environmentally friendly modular and scalable energy systems generating heat and electricity

## BACKGROUND & VALUATION

### Background

Producing renewable energy and managing waste with zero emission is one of the most prioritized topics globally. Innovative technologies process non-recyclable waste and make sure it is safely managed and used as a resource. Modern-day waste-to-energy plants are well integrated with their surroundings and involved in the process of non-recyclable waste produced by households and industries. Apart from waste management, the plants also generate electricity and heating, providing an affordable, reliable source of energy to local communities. According to the Renewable Energy Directive and the Green Deal every renewable energy source available has a critical role to play to enhance the efforts of the EU economy towards decarbonization and a circular economy, what cannot be recycled can become energy, contributes towards the achievement of zero landfills in Europe as well as serve as a basis for other products. Similar directives and policies are required outside the EU throughout the globe including China.

Stirlingversal's waste-to-energy systems are simple to distribute, install, operate, maintain, and use the unique state-of-the-art Stirling engine technology. The modules have been specifically engineered for low-maintenance cost, high reliability, and long service life. The systems are constructed on a modular platform that enables cost-effective and flexible customization ranging from 30 kW up to 1 MW plant size (electrical power output). By limiting transportation and generating energy from local waste, Stirlingversal's customers can rely on the system to provide on-demand, reliable energy that is also environmentally friendly.

### Valuation

The pre-money valuation for Stirlingversal is 22,05 MSEK. This valuation is based on:

- Current Hot-Flue order to partner and customer in China
- Go-To-Market strategy on lucrative China market
- Projected financials (see below)
- A committed team with all its competence and capabilities to drive the Company forward
- An outstanding core product, the Stirling engine in terms of performance, flexibility, cost, and reliability
- Huge potential for lucrative and growing market segments driven by global energy crisis and to achieve global climate goals

## MESSAGE FROM THE CEO

### **Dear Shareholders,**

I took over the position as CEO of Stirlingversal in August 2023, but I am not new to the company as I have been responsible for the China subsidiary and operations since it started in January 2020. As you know it has been a rough ride and a long road to get where we are today, but that is now history so let us now look at our current position and how I see our future development. We have, despite extreme financial pressure, achieved some milestones that makes the company ready for changing from being purely a development company to also being a sales and production company. These milestones are:

- Basic functionality for the Hot-Flue system developed together with our customer and partner Haiqi in China was confirmed at their plant in April 2023. The combined stirling module and gasification and combustion system produced electricity.
- Our work with re-designing and producing the heat receiving interface to reach commercially acceptable efficiency for the stirling module has been successful and has been demonstrated to Haiqi in Sweden mid of October.
- The component supply chain has been verified for quality and production capability and can deliver at a cost level that gives us a margin even on the first batches produced and sold.
- A contract has been signed with Haiqi for production and delivery of the first batch of stirling engine hot-flue modules in Q2 and Q3 2024.
- Installation of the new stirling engine module combined with the Haiqi system for gasification and combustion will be done in February 2024 creating a full commercial demonstration system.

This puts Stirlingversal in what I see as a very good position. We now have a very small but very efficient and skilled organization covering engine and energy system design as well as supply chain and quality management expertise in Sweden together with a production and purchasing management team in China. The best of two worlds.

I would like to mention that most of my work experience has been in China, I started working with IKEA retail logistics in 1998 but started my first own production company there in 2005 after leaving IKEA. Many things can and should be said about China and the global situation these days, but I know it as a great place for production with a fantastic supplier base when managed properly. But I think for Stirlingversal and our business and vision, China is much more important than just a production facility, it is the country with the biggest need and largest market for the solutions that Stirlingversal provides.

The energy market 'back home' is both conservative and risk averse but in China there is a different culture and a voracious appetite for new technology that can help solve the environmental and climate change challenges they and we all are facing. When we can provide our Swedish stirling technology and solution(s) in China we will not only have a very good business locally but also really be part of solving a global problem as the waste and electricity problems and opportunities are on a totally different scale in China. Our China pipeline of potential customers and partners, ranging from energy production and waste disposal companies to local governments and policy setting bureaus reflects this need and interest.

Finally, I would like to thank all you old shareholders for your patience and belief and sincerely hope that you will take part in this investment round so that we can take the next step and become a commercial company. And also, I would like to thank the Stirlingversal team, both in Sweden and China, for their dedication and good work.

Thank you all!

*Johan Arrhenius*

## STIRLINGVERSAL AB (PUBL) OPERATIONAL INFORMATION

### Company Milestones

- 2017: Stirlingversal was founded in 2017. Originally the idea was to establish a partnership with a Chinese company to further promote the development and sales of the Stirling engine technology for concentrated Solar Power and other applications.
- 2018: The cooperation/partnership with the Chinese company starts
- 2019: Stirlingversal acquires assets related to Stirling CSP from Chinese company
- 2019: Company office at Ideon Science Center in Lund and establishment of facilities for testing of Stirling engines nearby Lund
- 2019: Stirlingversal acquires a License from Saab Kockums for the Stirling engine technology
- 2019: Establishment of fully owned production facilities in Kunshan and build-up of supply-chain primarily from world leading automotive component suppliers
- 2019: Introduction of a flexible hybrid (gas and solar) combustion system
- 2020: Initial testing of the unique combustion system
- 2021: Development of novel control and monitoring system
- 2021: First commercial contract signed for W2E application to a Chinese customer/partner
- 2022: Application testing of gasifier for generation of pyrolysis gas from biomass to be used as fuel in the Stirling engine
- 2022: First engine delivered to customer in China for testing of W2E application
- 2022: First batch of China built engines delivered to Sweden for testing and verification
- 2022: Functional testing of engine design based on China supply chain starts in Sweden
- 2023: Hot-Flue prototype unit integrated in complete system in China confirms combined system functionality
- 2023: Performance of Hot-Flue unit confirmed in Sweden leading to contract with HaiQi

### Subsidiary in China

Stirlingversal China is a wholly owned subsidiary of Stirlingversal AB located in Kunshan just outside Shanghai. The location in Kunshan gives us strong logistical benefits and easy access to qualified staff. Given that Kunshan has a long tradition of foreign companies, the import and export of parts and finished products is efficient. Many of our component suppliers are also located in the same area as well as future customers. The central government's focus on renewable energy gives us support locally from the Kunshan municipality and the Province of Jiangsu. There are now big renewable energy projects to which we are being invited.

The contacts and cooperation with local players now established in China by our Kunshan team will secure a future positive development for us.

### Supply Chain and Quality Management

Stirlingversal's Supply Chain and Quality Management use best-practice processes and documentation systems to ensure quality control and traceability for each component from the supplier to each individual engine. In 2024 we will ISO 9001 certify the production and also implement an ERP system to enable scaling up of operations.

### Collaborations

Stirlingversal collaborates with leading companies and academic institutions in technology areas such as combustion, heat transfer, optimization of fuel conditions and control and monitoring systems. Our first commercial collaboration has been with Haiqi, which has led to the Hot-Flue application and product. As our Stirling engines enter production and are available, we will initiate new application development projects with commercial partners in Europe and China.

### Stirling engine technology

The Stirling engine was invented in the 1800's. The Stirling Engine Technology has long service life (25+ years), and it is easy to maintain at a low cost due to Stirlingversal's technological advancements. As the Stirling Engines typically operate as separate independent power modules in an overall system, there is built-in system redundancy/failover. What makes it attractive is its ability to efficiently convert heat into mechanical energy. The engine has a limited number of moving parts which increases reliability and minimizes maintenance and service costs. Not many have successfully been able to master the Stirling engine at high power rates other than Saab Kockums for applications such as naval submarines and other civilian applications. The engine concept that has been developed by Saab Kockums, is the only design with electrical power output above 10 kW, which has worked successfully.

### The Saab Kockums Stirling technology license

Stirlingversal AB has the only license agreement in the world with Saab Kockums giving Stirlingversal the right to world-wide manufacture, further develop, use for any purpose except uniquely military use, market, sell and service Stirling engines based on the Saab Kockums design. The good relationship with the world leading Stirling engine developer Saab Kockums also provides Stirlingversal with valuable marketing good-will. **The 20-year license agreement was signed in April 2019.**

### Stirlingversal's state-of-the-art Stirling Engine

Stirlingversal's engines originate from Saab Kockums' design based on a global license from Saab Kockums. Equally important, very large investments have been made on Stirlingversal's engine, in development and re-engineering to enable reliable, sustainable, and cost-efficient manufacturing using the automotive industry's principles for volume production. This allows for global sourcing of cost-driving components. Based on the inherent capability of the core product, the Stirling engine, to efficiently generate electricity and heat as desired, a product portfolio is under development for other applications and market segments.

*Stirlingversal is currently the only company that has a license agreement with Saab Kockums*



Stirling engine module



Demo site for complete system at Haiqi facility



## Management

Johan Arrhenius, CEO and Operations Manager

- 20+ years of supply chain and manufacturing leadership experience in China
- Experience of managing international start-ups and taking products from concept to market
- Fluent Chinese

Johan Mattson, CTO

- 25+ years of experience in design management, engine and advanced energy systems development at Volvo corporations and Swedish Stirling AB (former Ripasso Energy AB)
- Expert in engine and energy system design with specialization in hot component design and material technology.
- Long experience in leading large product development projects.
- Strong competence in product cost reduction and industrialization.

Christian Jensen, Hot-Flue Project and Product Manager

- 20+ years of experience in design engineering and product development
- 10+ years of experience in Stirling engine engineering
- Experienced Project and CAD System Manager

Qijiang Li, Supply Chain Manager

- 12+ years of supply chain and project management from European and Chinese advanced industrial projects
- Fluent English and Chinese

Magnus Kramer, Quality System Manager (Consultant)

- Industrial experience: Long and broad experience of Product Development, Short series Manufacturing and Serial Production within Aerospace, Defence, Industrial and Automotive
- Quality Management experience: Implementation and 3rd party certification of ISO 9001 in two companies. 2 years as company's Quality Manager for ISO 9001 management system. Experience in implementing APQP and ISO/TS 16949 routines as a Tier1 Automotive supplier company.

Jacky Ge, Production Manager China

- 15+ year experience of machinery production, 3 years with Sandvik Mining & Construction and 6 years with Kampf Machinery (German assembly machinery manufacturer).
- Fluent English and Chinese

**Board of Directors**

Björn Flink, Chairman of the Board

- 25+ years of experience in auditing and advisory regarding capital markets, corporate governance, risk management, etc.
- Co-founder of Stirlingversal

Tore Svensson, Board Member

- 40+ years of industry experience incl. senior positions in project development, sales and business development
- Senior Sales Executive Kockums AB
- Co-founder and Sales Director of Ripasso Energy (Swedish Stirling)
- Co-founder of Stirlingversal

Lars Bierlein, Board Member

- Head of New Markets and OEM at Qvantum Industries
- Extensive experience in business development, innovation, and scaling within the energy sector

Lars Larsson, Board Member

- 40+ years of industrial experience including various engineering and management positions
- Former head of Stirling Technology at Saab Kockums
- Stirling engine specialist
- Co-founder and former CTO of Ripasso Energy (Swedish Stirling)
- Co-founder of Stirlingversal

**Auditor**

KPMG AB, responsible auditor Linda Bengtsson.

**Additional information**

No board member or senior executive in Stirlingversal AB (publ) has been involved in bankruptcy, liquidation, or the like during the past five years. No board member or senior executive has at any time in the past five years been convicted in fraud-related cases, banned from business, or exposed to accusations or sanctions by authorities.

## MARKET OVERVIEW

### **Market insight globally**

Global waste generation is expected to continue increasing around the world over the coming decades. In 2016, the total waste generation in East Asia and the Pacific amounted to 468 million metric tons. Projections show that by 2050, waste generation only in this region will increase to 714 million metric tons. The average European produces 5 tons of waste each year and over 60% of household waste still goes to landfill. In some of EU countries the need of sustainable waste management and extracting the energy embedded in nonrecyclable waste can play an important role in reducing carbon emission in EU's transition to a more sustainable and circular economy.

The global biomass power market is also expected to grow at a compounded annual growth rate of 6.0% from 2022 to 2030 to reach over 2001 billion USD in 2030.

### **EU – Renewable energy directive**

The overall objectives of the Renewable Energy Directive are to achieve an increase in the use of energy from renewable sources by 2030, to foster better energy system integration and to contribute to climate and environmental objectives including the protection of biodiversity, thereby addressing the intergenerational concerns associated with global warming, biodiversity loss and contribute to the EU's technological and industrial leadership along with the creation of jobs and economic growth. Waste to energy applications has an important role in EU's renewable energy directive.

### **Go to market - initial focus on Hot- Flue Gas application**

The primary markets for Stirlingversal are applications converting heat to electrical energy focusing on W2E and Biomass-to-Energy (Bio2E). Stirlingversal's go to market strategy is to start with a subset of the W2E market - the Hot-Flue market, which has great potential. By utilizing system integrators like HaiQi, the time to market (ongoing sales process with customers) will be much shorter for this market segment, to prove the commercial ability of our product and build our supply chain capability. When our capability is proven in the smaller Hot Flue market, we will develop new applications for our product to reach more and larger segments of the W2E market. Through the partnership arrangement with Haiqi, we are getting access to a network of several end customers that are interested in our Hot-Flue solution. Our initial discussions (formulated in an agreement during 2021) with Haiqi prior to COVID confirmed an interest from Haiqi's end customers. HaiQi is a system supplier, and our Stirling engine module will be a subsystem in their HFG and biomass pyrolysis systems. Subject system has been developed jointly together with our partner Haiqi. This application will be Stirlingversal's initial focus to deliver distributed dispatchable systems generating both electricity and heat, thus enabling us to penetrate the huge market potential in China together with our local partner. In parallel with subject cooperation partner, Stirlingversal is also in discussions with a Chinese technology developer and provider that provides environmentally friendly solutions to handle waste from the production processes of the steel, electric power and chemical industry. Their customers generate huge amounts of hot gases that are currently burnt off and we see a big potential in using those gases as energy sources for our Stirling engine modules.

For the Swedish and European market further opportunities are identified linked to W2E applications. Initial ambition will be to supplement these energy resources with our Stirling engine HFG technology for the generation of highly sought-after fossil-free electric power.



## SHAREHOLDER CAPITAL & OWNERSHIP

### Shareholder capital

The share capital is 882 108 SEK distributed over 1 378 206 shares, which gives a quota value per share of 0,64 öre. Pre-money valuation 22 051 296 SEK.

### Ownership structure

Presented below are the ten largest shareholders in the Company. In total there are at present close to 600 shareholders.

Stirlingversal AB, 10 largest owners	Number of Shares	%
Lars Larsson	124 666	9,05
Håkan Garmer	118 980	8,63
Tore Svensson	114 510	8,31
Björn Flink	85 306	6,19
Seniorit AB	75 200	5,46
Olof Eriksson	48 700	3,53
Mattoms AB	36 700	2,66
Ingemar Rääf AB	34 500	2,50
Polynom Investment AB	25 000	1,81
I Love Lund AB	20 500	1,49
10 largest owners in total:	684 062	49,63
<b>Total Number of Shares</b>	<b>1 378 206</b>	<b>100</b>

Total number of shareholders is just under 600.

Dilution at full subscription is 26,6 %.

## FINANCIAL INFORMATION

### Forecast Budget

(kSEK)	2024	2025	2026	2027	2028
Revenue	12 819	111 095	192 279	427 288	1 068 219
COGS*	15 565	96 445	160 233	350 376	853 965
Gross Profit	-2 747	14 650	32 047	76 912	214 254
Swedish Operations**	-8 021	-10 694	-10 694	-13 368	-13 368
Cashflow	-10 768	3 955	21 352	63 544	200 886
Number of HFG units delivered	30	260	450	1 000	2 500

\* Including manufacturing overhead in China and Sweden

\*\* Management, sales, product development & other

### Condensed Income Statements

(kSEK)	2019	2020	2021	2022
Net sales	0	0	0	374
Operating costs	-1 502	-3 668	-8 612	-20 129
Operating result	-1 502	-3 668	-8 612	-19 755
Financial costs	0	-9	-30	-34
Net income/loss before tax	-1 502	-3 677	-8 642	-19 789
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-1 502</b>	<b>-3 677</b>	<b>-8 642</b>	<b>-19 789</b>

### Condensed Balance Sheets

(kSEK)	2019	2020	2021	2022
Intangible fixed assets	4 394	4 127	3 502	2 876
Tangible fixed assets	1 195	1 196	1 440	1 284
Financial fixed assets	0	3 767	10 098	14 489
Current assets	254	238	1 204	2 653
Cash and cash equivalents	3 246	135	20 630	1 068
<b>Total assets</b>	<b>9 098</b>	<b>9 463</b>	<b>36 874</b>	<b>22 370</b>
Total equity	8 674	8 611	33 619	18 205
Long-term liabilities	-	458	333	208
Current liabilities	415	394	2 922	3 957
<b>Total equity and liabilities</b>	<b>9 089</b>	<b>9 463</b>	<b>36 874</b>	<b>22 370</b>

# ARTICLES OF ASSOCIATION

Stirlingversal AB (publ) 559096-2105

## **§1 Name**

The Company's name is Stirlingversal AB (publ). The Company is a public limited liability company.

## **§2 Domicile**

The Company has its domicile in Lund municipality.

## **§3 Operation**

The Company shall carry out product development and offer services in the field of energy with a main focus on renewable energy sources, own and operate energy facilities for the production and delivery of electricity, own and manage real and movable property and conduct activities compatible therewith.

## **§4 Share capital**

The share capital shall be no less than 500 000 SEK and no more than 2 000 000 SEK.

## **§5 Number of shares**

The number of shares in the Company shall be no less than 781 200 and no more than 3 124 800.

## **§6 Board of directors**

The Board shall consist of no less than 3 and no more than 5 members, with no less than 0 and no more than 3 deputies.

## **§7 Auditor**

The Company shall appoint no less than 1 and no more than 2 auditors, with no more than 2 deputies. An authorized auditor or a registered auditing company must be appointed as auditor, and, where applicable, deputy auditor.

## **§8 Notice to the General Meeting**

Notice shall be given by announcement in Post- och Inrikes tidningar and by notice on the Company's website. That notice has been made must be announced in Dagens Industri. General Meeting shall be able to be held, apart from in Lund municipality (corporate seat), in Stockholm and Gothenburg.

## **§9 Notification of, and the right to participate in, the General Meeting**

Shareholders who wish to participate in the General Meeting must register with the Company no later than the day stated in the notice to the General Meeting. This day must not be Sunday, another public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday before the meeting. Shareholders may bring one or two assistants to the General Meeting, but only if the shareholder has notified this in accordance with the previous paragraph.

## **§10 Agenda at the Annual General Meeting**

Following matters shall be addressed at the annual shareholders meeting:

- Election of chairman for the meeting
- Establishing and approval of voting list
- Approval of agenda
- Election of one or two to verify the minutes
- Determination of whether the meeting has been duly summoned
- Presentation of the Year-end Review and the auditor's report as well as, where applicable, the consolidated accounts and the consolidated audit report.
- Decision regarding:
  - determination of the income statement and the balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet

- dispositions regarding the company's profit or loss according to the established balance sheet,  
and
- discharge of liability for the Members of the Board and the Managing Director
- Determination of the number of Board members and Board deputies and, where applicable, the number of auditors and deputy auditors
- Determination of fees for the Board and auditor
- Election of the Board and any deputy board members and auditor and any deputy auditors
- Other matter, which must be taken up at the General Meeting according to the Swedish Companies Act (2005:551) or the articles of associations.

#### **§11 Proxy collection and postal voting**

The Board may collect powers of attorney according to the procedure specified in Ch. 7. Section 4, second paragraph of the Swedish Companies Act (2005:551). The Board may decide before a General Meeting that the shareholders can exercise their voting rights by post before the General Meeting.

#### **§12 Fiscal year**

The fiscal year is January, 1 – December, 31

#### **§13 CSD Company**

The Company's shares shall be registered in a reconciliation register according to the Financial Instruments Act (1998: 1479) on CSD and account-keeping of financial instruments.



## CONTACT INFORMATION

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