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Meltron AB (publ) makes a new issue with priority for current shareholders – the issue is guaranteed in full

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The Board of Meltron AB (publ) ("Meltron" or the "Company") has, within the mandate given to it at the Annual Shareholders' meeting 20 August 2019, decided to make an issue of new shares with priority for current shareholders (the "Priority Issue" or the "Offer") of approximately 25 MSEK before costs of the issue. The proceeds will primarily be used to carry out the planned, increased sales activities, incl necessary working capital, for technical and business development and for operations. The issue is fully secured up to approximately 25 MSEK through guarantee commitments and pre-subscriptions; the Company has, however, neither requested nor received bank securities for these commitments.

Background and motive

Meltron develops, manufactures and sells advanced lighting systems built on LED technologies based on over 20 years of research and development. The work of the Company has generated a high quality, patent portfolio of products. Meltron today has a set of meriting important reference customers, which sets the scene and enables the Company to win further strategically important pilot orders. The Company's ambition is to develop the pilot orders into global frame agreements.

The current expansion phase with the target of winning further prestigious pilot orders and in parallel developing signed contracts calls for increased working capital and a reinforced marketing and sales organization. This is the background and the motive of the coming Priority Issue. The Company has received pre-subscription commitments of approx. 1,6 MSEK from the Board, management and main shareholders and guarantee commitments of approx. 23,4 MSEK from two consortia of investors, one base guarantee up to 82 % of the issue and a top guarantee from 82 % up to 100 % of the issue. This means the whole issue of approx. 25 MSEK is secured through pre-subscriptions and guarantees. The Company has, however, neither requested nor received bank securities for these commitments.

The Company will receive net proceeds of approx. 22,2 MSEK after costs for the issue of approx. 2,6 MSEK. The base guarantors are further compensated either by off-set of additional shares at the same terms as of the issue (14 % fee or approx. 2,65 MSEK), or alternatively in cash (12 % or approx. 2,3 MSEK). The top guarantors are compensated with 15 % of guaranteed amount by off-set of

additional shares (equal to approx. 0,7 MSEK). Of the net proceeds 2 MSEK will be used for repayment of previous bridge loans.

Net proceeds of the Offer are planned to be used as follows:

Marketing and sales organisation	40 %
Research and technical development	17 %
Production capacity	20 %
Repayment of bridge loans	9 %
Other working capital	14 %

The net proceeds of the Priority Issue will strengthen the Company's financial situation and is deemed, including current cash, to suffice to secure the Company's business strategy and strategic objectives for the desired development for the next 12 months. With a large interest The Board may have the opportunity to issue further shares on the same terms in a directed issue up to approx. 4 MSEK.

The Priority Issue in summary

- Registered shareholders on the balance day will receive one (1) subscription right for every one (1) current share
- Eight (8) subscription rights will give the right to subscribe for five (5) new shares
- Every new share will have the same rights as current shares of the same class (the Company currently has one class of ordinary shares)
- Subscription price is 0,25 SEK/share
- The balance day for the right to participate in the Priority Issue is 24 September 2020
- At full subscription Meltron receives approx 25 MSEK before costs for the issue
- The subscription period is 28 Septber – 13 October 2020
- The Priority Issue is guaranteed 100 % by guarantee and pre-subscription commitments; however, the Company has neither requested nor received bank securities for these commitments.
- With a large interest The Board may have the opportunity to issue further shares on the same terms in a directed issue up to approx. 4 MSEK.

Preliminary schedule

Tuesday 22 September 2020	Last day of trading of the share including the right to participate
Wednesday 23 September 2020	First day of trading of the share without the right to participate
Thursday 24 September 2020	Balance day for subscription rights and right to participate in the Priority Issue
Monday 28 September 2020	Preliminary date for publication of Memorandum of Issue
Monday 28 September 2020	Subscription period starts, start of trading of subscription rights and BTA (paid shares)
Friday 9 October 2020	Trading of subscription rights ends
Tuesday 13 October 2020	Subscription period ends
Friday 16 October 2020	Results of Priority Issue is published. Notes of subscription are distributed.

Terms of the Priority Issue

The Board of Meltron decided on 25 August 2020, within the mandate authorized at the Annual Shareholders' Meeting 20 August 2019, to do a Priority Issue of up to 100 069 720 new shares. Furthermore, in case of great interest in the issue, the Board may decide to issue further approx. 16

million shares in an additional directed issue, which would generate further proceeds of approx. 4 MSEK. Additionally, shares may be issued to off-set guarantee fees as well as part of the fee of the financial advisor.

Meltron's share capital before the issue is 40 027 888,25 SEK with 160 111 553 shares. The nominal value of the share is 0,25 SEK. There is only one class of shares. Subscription of all shares of the Priority Issue will increase the share capital with 25 017 430 SEK.

Eight (8) current shares gives the right to subscribe for five (5) new share at 0,25 SEK/share. On the balance day, every current share gives one (1) subscription right and eight (8) subscription rights entitle subscription of five (5) new shares.

Guarantee commitments

The Priority Issue is guaranteed by contracts with external investors, in addition to pre-subscriptions by current shareholders, in a base guarantee up to approx. 20,5 MSEK, equal to approx. 82 % of the Priority Issue. The guarantee fee is 12 % of guaranteed amount in cash or 14 % if off-set for shares on the same terms as in the Priority Issue. Additionally, a top guarantee has been syndicated for the remainder up to 100 % of the issue, approx. 4,4 MSEK. Top guarantors are compensated with 15 % by off-set for shares on the same terms, approx. 0,7 MSEK. Pre-subscriptions are not compensated. No cash or other assets have been pledged and no other securities have been provided for these commitments. Further information on the parties of the guarantee commitments will be presented in the Memorandum of Issue, which in accordance with the preliminary schedule above will be available 28 September 2020.

Advisors

G&W Fondkommission is the financial advisor of Meltron for the Priority Issue. Aktieinvest FK AB is the issuing institute. The law firm Delphi is legal advisor to the Company.

Important information

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Neither the subscription rights, the subscribed and paid shares or the new shares will be registered in accordance with the Securities Act or any provincial law in Canada and may not be transferred to or offered for sale in the USA or Canada or to a person with domicile there or on behalf of such person unless in such cases where registration is not required by the Securities Act or any provincial law in Canada.

Meltron – “More than Just Light”

Meltron AB designs, manufactures and sells LED lighting solutions which are based on interdisciplinary application of electronics, optics, thermodynamics and nano-structures.

“More than Just Light” translates into energy savings, superior light quality, product life-time savings, increased productivity, safety and wellbeing for all. Meltron provides high quality solutions for the most demanding environments in infrastructure, industry, logistics and agriculture.

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*The Meltron share is traded on NGM Nordic SME under short name **MLTR**.*

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