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Malmö, Sweden, May 15, 2025

PRESS RELEASE

Ependion explores the conditions to carry out a directed share issue of approximately SEK 300 million

In accordance with previous communication, Ependion AB (publ) ("Ependion" or the "Company") has appointed Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") as Sole Global Coordinator and Bookrunner, to explore the conditions for carrying out a directed share issue of approximately SEK 300 million (the "Share Issue"). The subscription price and the total number of new ordinary shares in the Share Issue will be determined through an accelerated bookbuilding procedure targeting Swedish and international institutional investors, which will be initiated immediately after the publication of this press release. The net proceeds from the Share Issue are intended to be used to partially finance the initial purchase price of the previously announced acquisition of Welotec GmbH ("Welotec"). Ependion's two largest shareholders Stena Adactum AB and Svolder AB together representing approximately 45 percent of the outstanding shares and 45 percent of the votes in the Company, have expressed their intention to participate in the Share Issue up to an amount corresponding to their current respective ownership levels in the Company.

On 2 April 2025, the Company announced the acquisition of Welotec for an initial purchase price of EUR 35.2 million. A performance-based earn-out of up to EUR 14.8 million may be paid based on the Welotec's results in 2025-2026. The acquisition, carried out through the business entity Westermo, further strengthens Westermo's presence within the energy segment and steps into a new closely related technology area - Edge Computing - and creates potential for significant sales synergies when the businesses are combined. The Company intends to use the net proceeds from the Share Issue to partially finance the initial purchase price of the acquisition of Welotec.

The Board of Directors of Ependion intends to resolve on the Share Issue with deviation from the current shareholders' preferential rights, based on the authorisation granted by the annual general meeting held on 13 May 2025. The subscription price and the total number of new ordinary shares in the Share Issue will be determined through an accelerated bookbuilding procedure which will be conducted by Danske Bank and will commence immediately after the publication of this press release. The Company will announce the outcome in a press release after the bookbuilding procedure has been completed, which is expected to occur before trading commences on 16 May 2025. The Company may, at its own discretion, terminate, shorten, or extend the bookbuilding procedure without prior notice and can decide to refrain from carrying out the Share Issue.

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The Board of Directors has carefully considered the option to raise the proceeds through a rights issue and makes the assessment that there are several reasons why it is preferable for the Company and the shareholders to raise the proceeds through a directed share issue, which enables Ependion to execute its acquisition strategy in a timely and cost-effective manner, in combination with limiting market exposure. The reasons for the deviation from the shareholders' preferential rights are (i) that the Share Issue in relation to the Company's market capitalisation is limited in size, which would entail that a rights issue process would be disproportionately burdensome to carry out, causing costs and time in the form of complex processes for the Company; (ii) to increase flexibility regarding the timing of the Share Issue in relation to the closing of the acquisition, in order to minimise exposure to market risks and negative effects on the share price and the need for bridge financing; (iii) based on the current market climate, a rights issue could require underwriting commitments, which would entail additional costs; and (iv) the Board of Directors considers it advantageous to further diversify and strengthen the Company's shareholder base with additional institutional investors and to increase interest in and improve the liquidity of the Company's ordinary share.

The Board of Directors' overall assessment is that due to the reasons above, a directed share issue which deviates from the preferential rights of existing shareholders, is the most advantageous option for both the Company and for all shareholders. Since the subscription price in the Share Issue will be determined through an accelerated bookbuilding procedure to Swedish and international institutional investors, the Board of Directors assesses that the subscription price will accurately reflect current market conditions and demand.

Provided that the Share Issue is carried out, the Company has agreed to a lock-up undertaking, with customary exceptions (including issuing or transferring shares in relation to incentive programs), under which the Board of Directors is not allowed to propose or decide on any new share issue for a period of 180 calendar days after settlement in the Share Issue. In addition, all members of the Company's Board of Directors, being shareholders in the Company at the time for the Share Issue, and executive management have undertaken, with certain exceptions (including selling or otherwise disposing of shares for purposes of financing tax payments under incentive programs) and under the condition that the Share Issue is carried out, not to sell or otherwise dispose of any shares in Ependion for a period of 90 calendar days after settlement in the Share Issue.

Advisors

Danske Bank provides debt financing and is the Sole Global Coordinator and Bookrunner to Ependion regarding the Share Issue. Mannheimer Swartling Advokatbyrå AB is the legal counsel to Ependion concerning the Share Issue. Advokatfirman Schjødt is counsel to Danske Bank in connection with the Share Issue.

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This information is such that Ependion AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU No 596/2014). The information was submitted for publication, through the care of the contact person specified, on 15 May 2025 at 17:31 CEST.

Important information

This press release does not constitute or form part of, and should not be construed as, an offer, or a solicitation of an offer, to subscribe or purchase any shares or any other securities in Ependion. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into United States, the United Kingdom, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, North Korea, Russia, Singapore, South Africa, South Korea, Switzerland or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures in accordance with applicable law.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Ependion has not authorized any offer to the public of shares or rights in any member state of the EEA and no offering prospectus has been or will be prepared in connection with the directed new share issue. This press release is only addressed to and directed at persons in member states of the EEA who are "qualified investors" within the meaning of Article 2 (e) of the Prospectus Regulation. The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with qualified investors. This press release should not be acted upon or relied upon in any member state of the EEA by persons who are not qualified investors.

This press release does not constitute an offer of securities to the public in the United Kingdom, and no prospectus has been or will be approved in the United Kingdom in respect of the securities. In the United Kingdom, this press release is only being distributed to, and is only directed at "qualified investors" (within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this press release relates is available only to, and will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this press release or any of its contents.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the directed new share issue must be made on the basis of all publicly available information relating to Ependion and the company's shares. Such information has not been independently verified by the Danske Bank as Sole Global Coordinator and Bookrunner. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Danske Bank is acting on behalf of Ependion in connection with the transaction and not on behalf of anyone else. Danske Bank will not be responsible to anyone else for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's option with respect to the directed new share issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can decrease as well increase. Past performance is not a guide to future performance.

Forward-looking statements

This press release contains forward-looking statements that reflect Ependion's intentions, beliefs, or current expectations about and targets for the company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the company 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 Ependion 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. Since 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. Ependion does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. 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 Ependion 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 required by law or Nasdaq Stockholm's Rulebook for Issuers of Shares.

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 Ependion 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 Ependion 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 Ependion may decline and investors could lose all or part of their investment; the shares in Ependion offer no guaranteed income and no capital protection; and an investment in the shares in Ependion 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 directed new share issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Danske Bank as Sole Global Coordinator and Bookrunner 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 Ependion.

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

Ependion AB is an expansive global technology group delivering digital solutions for secure control, management, visualization and data communication for industrial applications in environments where reliability and high quality are critical factors. The Group's customers include some of the world's leading companies. Ependion consists of independent business entities with total sales of SEK 2.3 billion in 2024 and 950 employees. The company is listed on Nasdaq Stockholm Main Market's Mid Cap-list under the ticker EPEN. **[ependion.com](https://www.ependion.com)**