

NOTICE OF CLIMEON AB (PUBL) EXTRAORDINARY GENERAL MEETING

PRESS
RELEASE

The shareholders are hereby called to the Extraordinary General Meeting of Climeon AB (publ), 556846-1643, to be held on Monday December 9, 2024, at 15:30.

The Extraordinary General Meeting will be held in Kista Gates premises at Torshamnsgatan 44 in Kista. Registration will take place from 15:00.

Participation in the Meeting

Shareholders that wish to participate in the meeting must:

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as of November 29, 2024, and
- have notified the company via the Company's website www.climeon.com/egm2024/ or via e-mail at bolagsstamma@climeon.com or by post to Climeon AB, Att. Bolagsstämman, Torshamnsgatan 44, 164 40 Kista by December 3, 2024. The notice shall include information including name, personal identity number /registration number, shareholding and, if applicable, details of any representatives and assistants, as well as contact details.

Information regarding administration of personal data please see: <https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>

Nominee Shares

Shareholders with nominee shares must, in order to be entitled to participate in the meeting in addition to the notification in accordance with the above, arrange to be temporarily registered by Euroclear Sweden AB. The nominee must be notified of this in good time before November 29, 2024, so that the shareholder is listed in the presentation of the share register made by Euroclear Sweden concerning the circumstances that day. Such temporary owner registration, so called, voting rights registration, that have been made by the nominee no later than on December 3, 2024, will be taken into account in the presentation of the share register prepared by Euroclear Sweden AB.

Proxy, Power of Attorney, Etc.

The shareholders' rights at the extraordinary general meeting may be exercised by proxy. Power of attorney must be dated and signed, and the original copy shall be brought to the general meeting. Furthermore, representatives of legal entities are requested to bring a certified copy of the certificate of registration of the legal entity or similar qualification documents when they attend the general meeting. Proxy forms are available on the company's website.

Proposed Agenda

1. Opening of the meeting
2. Appointment of the chairman for the meeting
3. Drafting and approval of voting register
4. Approval of the agenda proposed by the Board

5. Appointment of the attester
6. Resolution on whether the meeting has been duly convened
7. Decision on the Board's proposal of:
 - i. amendment of the articles of association
 - ii. a directed share issue of so-called adjustment shares and
 - iii. consolidation of shares
8. Decision on the Board's proposal of:
 - i. an introduction of a new employee stock option program 2024/2028,
 - ii. issuance of warrants and
 - iii. approval of the transfer of warrants to Participants and third parties
9. Decision on the Nomination Committee's proposal of:
 - i. resolution regarding the number of Board members and deputies
 - ii. decision regarding the fees for the Board and
 - iii. election of a new Chairman of the Board
10. Decision on a Shareholders' proposal of:
 - i. an introduction of a stock option program for the Board
 - ii. issuance of warrants and
 - iii. approval of the transfer of warrants
11. Other matters
12. Closing of the meeting

Board of Directors' Proposals

Point 7 i) Decision on amendment of the Articles of Association

The Board proposes, in order to achieve a more suitable number of shares, that the meeting decides on a consolidation according to iii) below. To enable the consolidation according to iii) below and to otherwise adjust the limits for the number of shares and the share capital, it is proposed that the general meeting decides on a new issue of so-called adjustment shares according to ii) below and to amend the Articles of Association by adopting new limits for the number of shares and the share capital as follows.

The decisions under this point 7 i) - iii) should be regarded as a single decision. For a valid decision according to the proposal, it requires adoption by shareholders holding at least two-thirds of both the votes cast and the shares represented at the meeting.

The Board, the CEO, or a person appointed by the Board shall have the right to make any minor adjustments that may be necessary in connection with the registration of the decisions with the Swedish Companies Registration Office and Euroclear Sweden.

In light of this, the following amendments to points 4-6 in the current Articles of Association are proposed.

4 Share Capital Limits

Proposal for a new wording in point 4 of the current Articles of Association:

"The share capital shall be at least SEK 3,750,000 and at most SEK 15,000,000."

5 Number of Shares

Proposal for a new wording in point 5 of the current Articles of Association:

"The number of shares shall be at least 25,000,000 and at most 100,000,000."

6 Types of Shares

Proposal for a new wording in the first paragraph of point 6 of the current Articles of Association:

"The shares may be divided into A shares and B shares. A shares may be issued up to a maximum of 100,000,000 shares, and B shares up to a maximum of 100,000,000 shares."

Point 7 ii) Decision on a directed new issue of adjustment shares

To enable the proposed consolidation, the Board proposes that the general meeting decides to increase the company's share capital by SEK 0.06 through a new issue of 4 (four) new B shares under the following conditions:

- The subscription price to be paid for each share is SEK 0.015, corresponding to the share's par value. The reason for setting the subscription price to the par value is that the new issue is carried out to achieve a total number of shares in the company that is evenly divisible by the consolidation ratio according to (iii) below.
- Notwithstanding the shareholders' preemptive rights, the new shares may only be subscribed for by Bergs Securities AB, which has the right and obligation to transfer the shares for adjustment according to (iii) below.
- The reason for the deviation from the shareholders' preemptive rights is that the new issue is carried out to achieve a total number of shares in the company that is evenly divisible by the consolidation ratio according to (iii) below.
- Subscription of shares shall occur no later than three banking days after the general meeting. The Board shall have the right to extend the subscription period.
- Payment for subscribed shares shall be made in cash to a bank account designated by the company no later than three banking days after the meeting. The Board shall have the right to postpone the payment deadline.
- Over-subscription is not permitted.
- The new shares shall entitle the holder to dividends from the first record date for dividends that fall closest after the decision on the issue.

After the registration of the adjustment issue as mentioned above, the share capital will amount to SEK 5,343,313.35 and the number of shares will be 356,220,890 (3,900,000 A shares and 352,320,890 B shares).

Point 7 iii) Decision on the consolidation of shares

The Board proposes that the meeting decides on the consolidation of the company's shares, whereby 10 existing (A and B shares) will be consolidated into one new share (A or B share) (consolidation 1:10).

The Board proposes that the meeting authorizes the Board to determine the record date for the consolidation of shares.

A shareholder who, on the record date, does not hold a number of shares that are evenly divisible by 10 will receive, at no cost, additional shares from the company's larger shareholders (so-called "Guarantee") to ensure that the shareholder's holding is evenly divisible by 10 (so-called rounding up). This means that all shareholders will, at the time of the consolidation, hold shares corresponding to a whole number of new shares, and there will be no excess shares. After the consolidation, the number of shares in the company will decrease from 356,220,890 shares (3,900,000 A shares and 352,320,890 B shares) to 35,622,089 shares (390,000 A shares and 35,232,089 B shares). The consolidation means that the par value of the shares will increase from SEK 0.015 to SEK 0.15.

The decision on the consolidation is conditional upon the decision on the amendment of the Articles of Association according to i) and the decision on the new issue of adjustment shares according to ii) above.

Point 8: The Board of Directors' Proposal for i) Decision on the establishment of a new Employee Stock Option Program 2024/2028, ii) Decision on the issuance of subscription options, and iii) Approval of the transfer of subscription options to Participants and third parties

The Board proposes that the general meeting decides to establish a new Employee Stock Option Program 2024/2028 (the "Employee Stock Option Program") for senior executives and key personnel in Climeon AB and, where applicable, other companies in the same group as the company (the "Group"), in accordance with the points i), ii), and iii) below, which program will fully replace the incentive program 2024/2027 adopted by the Annual General Meeting 2024 and not yet implemented.

The purpose of the Employee Stock Option Program is to ensure long-term engagement for employees through a compensation system linked to the company's future value growth. By implementing a share-related incentive program, the long-term value growth of the company is rewarded, aligning the interests and goals of the company's shareholders and employees. Such an incentive program is also expected to improve the company's ability to retain key employees.

The Board's proposal to establish the Employee Stock Option Program according to i), ii), and iii) below constitutes a combined proposal and shall be decided as a single resolution. For a valid decision, approval is required from at least nine-tenths (9/10) of both the votes cast and the shares represented at the general meeting in accordance with the provisions of the Companies Act (Chapter 16).

The proposal below is based on the assumption that the meeting will approve the Board's proposal regarding the amendment of the Articles of Association, the new issue of adjustment shares, and the consolidation (1:10) according to point 7 i-iii) above, resulting in the par value being changed to SEK 0.15 per share.

i) The Board of Directors' proposal for the establishment of a new Employee Stock Option Program 2024/2028

The Board proposes the establishment of the Employee Stock Option Program according to the following main guidelines:

1. The Employee Stock Option Program shall encompass a maximum of 1,900,000 employee stock options.
2. Each employee stock option entitles the holder to acquire, provided that the barrier condition below is met, either one (1) B share in the Company at an exercise price equal to SEK 0.15, but not below the par value ("Exercise Price"); or one (1) free subscription option, which entitles the holder to subscribe for one (1) B share in the Company at a subscription price corresponding to the Exercise Price.

The number of stock options and the Exercise Price are based on the assumption that the meeting will approve the proposal for an amendment to the Articles of Association and the consolidation (1:10) according to point 7 above, which changes the par value from SEK 0.015 to SEK 0.15 per share. If the meeting does not approve the proposal, the proposal will instead involve no recalculation, meaning that the number of stock options will amount to 19,000,000 and the Exercise Price to SEK 0.015 per share, and that the barrier and cap conditions will be adjusted accordingly.

Barrier Condition:

Each stock option is subject to a barrier condition. The barrier condition is met only when the volume-weighted average price measured per trading day according to Nasdaq First North Premier Growth Market's official list for B shares reaches or exceeds SEK 20.00 (the "Barrier"). The Barrier is observed daily from the day the participant enters into an agreement for stock options until December 31, 2028.

Cap Condition:

Each stock option is subject to a cap condition. If the company's volume-weighted average price is ten trading days prior to the notification of the exercise of the stock option according to Nasdaq First North Premier Growth Market's official list for B shares (the "Average Share Price") reaches or exceeds SEK 30.00 (the "Cap"), a lower number of shares that each stock option entitles the holder to will be notified according to the following calculation:

Recalculated number of shares or subscription options that each stock option entitles the holder to = previous number of shares or subscription options that each stock option entitles the holder to x (Cap – Exercise Price) / (Average Share Price – Exercise Price)

The Exercise Price and the number of B shares that each stock option entitles the holder to may be subject to recalculation due to bonus issues, splits, rights issues, and similar measures, where the recalculation conditions in the complete terms of the subscription options shall apply.

If the recalculation occurs in accordance with the provisions above, the Barrier and the Cap shall also be recalculated so that the economic effects of the value limitations remain unchanged in relation to the recalculated number of shares that each subscription option entitles the holder to subscribe for at the respective recalculated Exercise Price.

3. The stock options in the Employee Stock Option Program shall be offered to employees of the Company or the Group (the "Participant" and collectively "Participants") according to the following principles:

- The CEO shall be offered a maximum of 172,750 stock options.
- Employees in senior management positions shall be offered a maximum of 103,600 stock options per person (maximum 5 people).
- Other key employees shall be offered a maximum of 34,550 stock options per person (maximum 35 people); and overallocation shall not occur.

The allocation shall be distributed among Participants based on decisions from the Board of the Company, taking into account the Participants' positions within the Company or the Group and their respective total compensation.

4. Allocation of stock options to Participants shall occur no later than June 30, 2025. The Board shall have the right to extend the allocation period.

5. The stock options granted shall be vested primarily over a period of 3 years from the day the Participant enters into the stock option agreement. After 1 year and 3 years from the day the Participant enters into the stock option agreement, 50 percent and 100 percent of the stock options shall vest, respectively. The exercise of stock options requires that the participant is employed by the Company or the Group throughout the vesting period. If the Option Holder's employment with the Company or the Group ends before the stock options are vested as described above, unvested stock options shall not expire.

6. The stock options shall not constitute securities and shall not be transferable or pledged.

7. The stock options shall be granted at no cost.

8. The Participant may exercise allocated and vested stock options 3 years after the day the Participant enters into the stock option agreement until December 31, 2028.

9. Participation in the Employee Stock Option Program requires that such participation can legally occur and that, according to the company's assessment, such participation can be accomplished with reasonable administrative costs and financial efforts.

10. The stock options shall be governed by a separate agreement with the Participant. The Board shall be responsible for the design and management of the Employee Stock Option Program within the framework of the above-mentioned main terms and guidelines. The Board has the right, in extraordinary circumstances, to limit the scope of or terminate the Employee Stock Option Program early, in whole or in part.

ii) Decision on the issuance of warrants and iii) approval of the transfer of warrants to Participants and third parties

The Board proposes that the company shall issue a maximum of 1,900,000 warrants of series 2024/2028 to ensure the delivery of B shares or warrants with the right to subscribe for B shares to the Participants in the Employee Stock Option Program according to the terms of the program. The share capital may increase by a maximum of SEK 285,000.00 (based on a par value of SEK 0.15 after the decision on the share consolidation).

1. The right to subscribe for the new warrants shall, deviate from the shareholders' pre-emption rights, only accrue to Climeon AB. Furthermore, a transfer of up to 1,900,000 warrants may occur, at one or more occasions, to Participants in the Employee Stock Option Program or otherwise to third parties for the purpose of delivering shares or warrants to the Participants, in accordance with the terms of the Employee Stock Option Program.
2. The reason for the deviation from the shareholders' pre-emption rights is the introduction of the Employee Stock Option Program as mentioned above.
3. The warrants will be issued free of charge.
4. Subscription for the warrants must take place within three weeks from the date of the issuance decision. The Board has the right to extend the subscription period.
5. The warrants shall entitle the holder to subscribe for B shares during a period commencing from the day the warrants are registered with the Swedish Companies Registration Office until December 31, 2028.
6. Each warrant shall entitle the holder to subscribe for one B share at a subscription price corresponding to SEK 0.15 (based on the share's par value being SEK 0.15 after the decision on the share consolidation). Adjustments may be made in accordance with the full terms of the warrants.
7. Any premium from the subscription of B shares through the exercise of warrants shall be allocated to the premium reserve.
8. B shares issued after the exercise of warrants shall entitle the holder to dividends for the first time on the record date for dividends that occurs immediately after the new shares have been registered with the Swedish Companies Registration Office and entered into the share register maintained by Euroclear.
9. The Board, or a person appointed by the Board, is proposed to be authorized to make minor adjustments that may be necessary in connection with the registration of the decision with the Swedish Companies Registration Office.

For the warrants, the terms outlined in the full conditions for the warrants shall otherwise apply, which terms will be available at the Company and on the Company's website www.climeon.com in accordance with applicable regulations.

Dilution, Costs, etc.

In the event that all Employee Stock options are exercised, the number of B shares will increase by 1,900,000, which corresponds to a dilution of approximately 5.1 percent of the shares and approximately 4.6 of the votes based on the Company's current number of shares after the decision on the consolidation (35,622,089 shares).

The Board assesses that the Employee Stock Option Program at each exercise point may incur costs for the Company from an accounting perspective in accordance with IFRS 2, as well as social security costs, in addition to certain limited costs for external consultancy fees and administration related to the Employee Stock Option Program. Personnel costs under IFRS 2 do not affect the Company's cash flow.

Based on an assumed market value of the underlying share of SEK 5.00 at the time of granting the Employee Stock options, an assumed exercise price of SEK 0.15, an expected duration of 3.0 years, a risk-free interest rate of 1.736 percent, an assumed volatility of 75.7 percent, and no expected dividend during the term, the value has been calculated at SEK 2.64 per Employee Stock option and SEK 3,915,326 for all Employee Stock options in the Employee Stock Option Program.

In a positive development of the share price and if the barrier condition is met, with an assumed share price of SEK 20.00, if all Employee Stock options are granted and all granted Employee Stock options are exercised for the acquisition of 1,900,000 B shares, the personnel costs in the Employee Stock Option Program according to IFRS 2 are estimated to amount to approximately SEK 37,715,000. The social costs are estimated at SEK 11,850,053 based on an average social security rate of 31.42 percent and the same other assumptions.

In a positive development of the share price and if the barrier condition is met with an assumed share price of SEK 30.00, if all Employee Stock options are granted and all granted Employee Stock options are exercised for the acquisition of 1,900,000 B shares, the personnel costs in the Employee Stock Option Program according to IFRS 2 are estimated to amount to approximately SEK 56,715,000. The social costs are estimated at SEK 17,819,853 based on an average social security rate of 31.42 percent and the same other assumptions.

In a positive development of the share price and if the barrier condition is met, with an assumed share price of SEK 50.00, if all Employee Stock options are granted and all granted Employee Stock options are exercised for the acquisition of 1,137,712 B shares (according to the ceiling condition, which means that one (1) Employee Stock option entitles the holder to acquire 0.598796 warrants or 0.598796 B shares), the personnel costs in the Employee Stock Option Program according to IFRS 2 are estimated to amount to approximately SEK 56,715,000. The social costs are estimated at SEK 17,819,853 based on an average social security rate of 31.42 percent and the same other assumptions.

The calculations above are preliminary and serve as examples of the Company's costs based on different assumptions.

Preparation of the Proposal

The proposal for the Employee Stock Option Program has been prepared by the Board of the Company in consultation with external advisors.

Point 9; The Nomination Committee's proposal for i) determination of the number of Board members and deputy Board members, ii) determination of fees for the Board, and iii) election of a new chairperson of the Board.

As previously communicated, the Nomination Committee has constituted itself ahead of the Annual General Meeting 2025 and consists of the following members:

- Peter Lindell (Chair) representing Cidro Förvaltning AB
- Thomas Öström representing himself as a shareholder

- Björn Wasing, appointed by the shareholder SEB Foundation, the Skandinaviska Enskilda Banken's Pension Foundation, and
- Olle Bergström representing himself

As part of the cost-saving program being implemented within the Climeon group and considering that Håkan Osvald (Chair) and Liselotte Duthu Törnblom have announced their intention to resign at the extraordinary general meeting, the Nomination Committee has returned with the following proposals regarding Board appointments and fees, which involve reducing the number of members to three ordinary members and halving the Board fees.

Point 9 i) Determination of the number of Board members and deputy Board members

The number of Board members until the next Annual General Meeting is proposed to be three ordinary members and no deputies.

Point 9 ii) Determination of fees for the Board

Fees for the Board are proposed to total 400,000 SEK (previously 1,200,000 SEK) per year, to be allocated as follows: 200,000 SEK per year to the Chair (previously 400,000 SEK) and 100,000 SEK per year (previously 200,000 SEK) to each remaining member who is not employed by the company. No compensation for committee work will be provided. The new Board fees will apply for the entire current mandate period until the Annual General Meeting 2025 and will be proportionately adjusted based on how long each Board member has held their position.

Point 9 iii) Election of a new chairperson of the Board

After Håkan Osvald (Chair) and Liselotte Duthu Törnblom resign in connection with the extraordinary general meeting, the Board will consist of the ordinary members Thomas Öström, Joakim Thölin, and Sebastian Ehrnrooth, who were appointed at the Annual General Meeting 2024.

It is proposed that Sebastian Ehrnrooth be elected as the Chair of the Board (new election).

Point 10; Shareholders' proposal for a decision on the introduction of i) a stock option program for Board members, ii) decision on the issuance of warrants, and iii) approval of the transfer of warrants.

The company's shareholder Cidro Förvaltning AB (the Shareholder), representing 19.8% of the shares and 17.4% of the votes in the company as of September 30, 2024, has submitted the following proposal for the introduction of a stock option program for Board members under similar terms that will apply to the new Employee Stock Option Program 2024/2028 proposed for senior executives and key personnel in the Group according to point 8 of the agenda.

The reason for offering Employee Stock options to Board members is to provide a special incentive in addition to a modest Board fee, thereby creating a common long-term interest between the company's shareholders and the Board members to work towards achieving the best possible business and value development for the company. A long-term ownership engagement is expected to stimulate increased interest in the business and overall performance, as well as enhance motivation among the participants, aiming to achieve greater alignment of interests between the Board members and the company's shareholders.

The proposal below is based on the assumption that the meeting will decide to approve the Board's proposal for changes to the Articles of Association, a new issue of consolidation shares, and the share consolidation (1:10) according to point 7 i-iii above, resulting in the nominal value changing to 0.15 SEK per share.

The introduction of the Employee Stock Option Program according to i), ii), and iii) below constitutes a comprehensive proposal and will be decided as one decision. A valid decision requires support from at least nine tenths (9/10) of both the votes cast and the shares represented at the general meeting in accordance with the provisions of the Swedish Companies Act (Chapter 16).

i) Shareholder's proposal for a decision on the introduction of a stock option program for Board members

The shareholder proposes that a total of a maximum of 348,000 stock options be issued, where each stock option entitles the holder to acquire, provided that the Barrier Condition as defined in the Board's proposal for the Stock Option Program 2024/2028 in point 8 above is met, either:

- one (1) B-share in the Company at an exercise price of 0.15 SEK but not less than ("Exercise Price"); or
- one (1) free Subscription Option, which entitles the holder to subscribe for one (1) B-share in the Company at an exercise price equivalent to the Exercise Price.

The provisions regarding Barrier and Ceiling Conditions in point 8 above shall apply correspondingly.

Adjustment of the Exercise Price, the number of B shares and subscription options, as well as the Ceiling and Barrier, can be made under the same conditions that apply to stock options issued under the Stock Option Program 2024 /2028 according to point 8 above.

The number of stock options and the Exercise Price are based on the assumption that the meeting decides to approve the proposal for a change in the articles of association and consolidation (1:10) according to point 7 above, which results in the par value changing from 0.015 SEK to 0.15 SEK per share. If the meeting does not decide to approve the proposal, a corresponding adjustment shall be made, meaning that the number of stock options will amount to 3,480,000 and the Exercise Price will be 0.015 SEK per share, and the Barrier and Ceiling Conditions will be adjusted.

1. The stock options shall be offered to members of the Company's Board as follows (hereinafter also referred to as the participant):
 - Chair of the Board: 116,000 stock options
 - Other members: 58,000 stock options each, and
 - Any new Board members: up to 58,000 stock options per person (maximum of 2 persons)

Allocation of stock options to Board members shall occur no later than June 30, 2025, as decided by the Board (with the concerned member not participating in the decision to the extent it concerns them).

2. The stock options granted shall mainly vest over 3 years from the date the participant enters into the stock option agreement. After 1 year and 3 years from the date the participant enters into the stock option agreement, 50 percent and 100 percent of the stock options, respectively, will vest. Exercising the stock options requires that the Board member is available for re-election to the Company's Board throughout the Vesting Period. If the Board member resigns from the Board or indicates that they will not be available for re-election before the stock options are vested as described above, all not yet earned stock options will lapse.
3. The stock options shall not constitute securities and shall not be transferable or pledgeable.
4. The stock options shall be granted free of charge.
5. The participant may exercise the granted and vested stock options from 3 years after the date the Board member enters into the stock option agreement until December 31, 2028.
6. The allocation of stock options is contingent upon both that it can be done legally and that such allocation can be done with reasonable administrative costs and economic efforts.
7. The stock options shall be regulated in a separate agreement with the Board member.

ii) Decision on the issuance of warrants and iii) approval of the transfer of warrants

The shareholder proposes that the company issue a maximum of 348,000 warrants of series 2024/2028 to ensure the delivery of B-shares or warrants granting the right to subscribe for B-shares to Board members who have received allocation of stock options under the terms above. The share capital may increase by a maximum of 52,200 SEK (par value 0.15 SEK).

1. The right to subscribe for the new warrants shall, deviating from the shareholders' preferential rights, only belong to Climeon AB. Furthermore, the transfer of a maximum of 348,000 warrants may occur, at one or more occasions, to Board members covered by the program according to the above or otherwise to third parties to deliver shares or warrants to Board members in accordance with the terms.
2. The reason for deviating from the shareholders' preferential rights is the issuance of stock options to Board members as mentioned above.
3. The warrants are issued free of charge.
4. Subscription for the warrants shall occur within three weeks from the date of the issuance decision.
5. The warrants shall grant the right to subscribe for B-shares during a period running from the date the warrants are registered with the Swedish Companies Registration Office until December 31, 2028.
6. Each warrant shall entitle the holder to subscribe for one B-share at a subscription price equivalent to 0.15 SEK (based on the share's par value of 0.15 SEK after the decision on consolidation). Adjustments may occur in accordance with the full terms for the warrants.
7. The excess amount from subscribing for B-shares through the exercise of the warrants shall be added to the free share premium reserve.
8. B-shares issued after the exercise of the warrants will entitle the holder to dividends for the first time on the record date for dividends that occurs immediately after the new shares have been registered with the Swedish Companies Registration Office and entered in the share register maintained by Euroclear.
9. The CEO or the person appointed by them is proposed to be authorized to make any minor adjustments that may prove necessary in connection with the registration of the decision with the Swedish Companies Registration Office.

The remaining terms for the warrants shall be as stated in the full terms for the warrants, which will be available at the company and on the company's website www.climeon.com in accordance with applicable regulations.

Dilution, costs, etc.

In the event that all stock options are exercised, the number of B-shares will increase by 348,000, corresponding to a maximum dilution of approximately 1.0 percent of the shares and approximately 0.9 percent of the votes based on the company's current number of shares after the decision on consolidation (35,622,089 shares). Together with the Stock Option Program 2024/2028 for senior executives and employees according to point 8 above, if all stock options are exercised, the number of B-shares will increase by a total of 2,248,000 shares, representing a total dilution of approximately 6.0 percent of the shares and approximately 5.4 percent of the votes.

The stock option program is expected to incur costs for the company at each exercise date from both an accounting perspective according to IFRS 2, as well as in the form of social security contributions, in addition to some limited costs for external consulting fees and administration related to the stock option program. Personnel costs according to IFRS 2 do not affect the company's cash flow.

Based on an assumed market value of the underlying stock of 5.00 SEK at the time of allocation of the stock options, an assumed exercise price of 0.15 SEK, an expected term of 3.0 years, a risk-free interest rate of 1.736 percent, an assumed volatility of 75.7 percent, and no expected dividends during the term, the value is estimated at 2.64 SEK per stock option, totaling 717,123 SEK for all stock options in the program for the Board.

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In a scenario with a positive development in the stock price, assuming the barrier condition is met, with an assumed stock price of 20.00 SEK, if all stock options are allocated and all allocated stock options are exercised for the acquisition of 348,000 B-shares, the personnel costs in the stock option program according to IFRS 2 are estimated to be approximately 6,907,800 SEK. The social costs are estimated at 2,170,431 SEK, based on average social security contributions of 31.42 percent, and under the same assumptions.

In a scenario with a positive development in the stock price, assuming the barrier condition is met, with an assumed stock price of 30.00 SEK, if all stock options are allocated and all allocated stock options are exercised for the acquisition of 348,000 B-shares, the personnel costs in the stock option program according to IFRS 2 are estimated to be approximately 10,387,800 SEK. The social costs are estimated at 3,263,847 SEK, based on average social security contributions of 31.42 percent, and under the same assumptions.

In a scenario with a positive development in the stock price, assuming the barrier condition is met, with an assumed stock price of 50.00 SEK, if all stock options are allocated and all allocated stock options are exercised for the acquisition of 348,000 B-shares (according to the ceiling condition, meaning that one (1) stock option grants the right to acquire 0.598796 subscription options or 0.598796 B-shares), the personnel costs in the stock option program according to IFRS 2 are estimated to be approximately 10,387,800 SEK. The social costs are estimated at 3,263,847 SEK, based on average social security contributions of 31.42 percent, and under the same assumptions.

The calculations above are preliminary and represent examples of the company's costs based on various assumptions.

Documents etc.

Proxy forms, the proposals and other documents will be kept available at the company and on the company's website www.climeon.com in accordance with applicable rules. Copies of the said documentation and all other documents available for the EGM will be sent by post to shareholders requesting it and stating their postal address.

The shareholders are reminded of the right to request information from the Board at the Extraordinary General Meeting and the CEO in accordance with Ch. 7 Section 32 of the Swedish Companies Act.

The total numbers of shares in the company on the date of this notice amount to 356,220,886 shares of which 3,900,000 are A-shares and 352,320,886 B-shares, whereby the total number of votes in the company amounts to 391,320,886 votes.

Kista in November 2024

Climeon AB (publ)

Board of Directors

FOR MORE INFORMATION, PLEASE CONTACT:

Lena Sundquist, CEO, Climeon

+46 708 345 228

Lena.sundquist@climeon.com

PRESS RELEASE

About Climeon AB (publ)

Climeon is a Swedish product company operating within the energy technology sector. Climeon's proprietary technology, the Climeon HeatPower system, uses an Organic Rankine Cycle (ORC) process to convert low-temperature heat into clean, carbon free electricity. Providing access to dependable and cost-effective sustainable power, HeatPower enables industries to increase energy efficiency, decrease fuel consumption, and reduce emissions. As a non-weather-dependent source of green energy, HeatPower has the potential to diversify and safeguard the renewable energy mix and, therefore, accelerate the global transition to a net-zero future. Climeon's B shares are listed on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is a Certified Adviser. Learn more at climeon.com.

Image Attachments

[Climeon Powering A Sustainable Future](#)

[Lena Sundquist, CEO, Climeon](#)

Attachments

[Notice of Climeon AB \(Publ\) Extraordinary General Meeting](#)