

NOTICE OF THE ANNUAL GENERAL MEETING OF CLIMEON AB (PUBL)

PRESS
RELEASE

The shareholders are hereby called to the Annual General Meeting of Climeon AB (publ), 556846- 1643, to be held on Wednesday May 18, 2022, at 16:00.

The Annual General Meeting will be held in Kista Gates premises at Torshamnsgatan 48 in Kista. Registration will take place from 15:30.

Participation in the meeting

Shareholder wishing 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 May 10, 2022, and
- have notified the company via the Company's website www.climeon.com/agm22-en/ or via e-mail at bolagsstamma@climeon.com or by post to Climeon AB, Att. Årsstämma, Torshamnsgatan 44, 164 40 Kista at the latest by May 13, 2022, at 16:00 hours. The notice shall include information of 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 May 10, 2022, so that the shareholder is listed in the presentation of the share register made by Euroclear Sweden concerning the circumstances as of May 10, 2022. Voting rights registration that have been made by the nominee no later than on May 12, 2022 will be taken into account in the presentation of the share register.

Power of attorney etc

The shareholders' rights at the annual general meeting may be exercised by proxy. Power of attorney must be dated and signed and shall be brought in original to the annual meeting. Furthermore, representatives of legal entities are requested to bring with them a certified copy of the certificate of registration of the legal entity or similar qualification documents when they attend the annual meeting. Proxy forms are available at the company's website www.climeon.com/agm22-en

Proposed agenda

1. Opening of the meeting
2. Appointment of chairman for the meeting
3. Drafting and approval of voting register
4. Approval of the agenda proposed by the Board
5. Appointment of attester
6. Resolution whether the meeting has been duly convened
7.
 - a) CEO-speech
 - b) Presentation of the annual report and the statement of the auditors for the company and the Group
8. Resolutions regarding
 - a) adoption of the income statement and balance sheet for the company and the Group,
 - b) allocation of the company results with respect to the adopted balance sheet for the company, and
 - c) discharge from liability for the directors and the managing director.
9. Resolution regarding the number of Board members and deputies and number of auditors
10. Decision regarding fee for the Board and for the auditor
11. Election of Board members and Chairman of the Board
12. Election of auditor(s)
13. Decision on guidelines for remuneration to senior management
14. Decision to authorise the Board to decide on share issues of B-shares etc.
15. Decision to adopt new Articles of Association
16. Decision on the issuance of warrants within the framework of a new incentive program
17. Other matters
18. Closing of the meeting

Proposal from the Board

Item 8 b); Dividend

The Board proposes that no dividend is paid out for the fiscal year 2021.

Item 13; Decision on guidelines for remuneration to senior management

The Board proposes that the AGM decides to adopt updated guidelines for remuneration to senior management mainly based on the guidelines approved by the AGM 2021 but adjusted in some parts.

The Board's complete proposal of updated guidelines in accordance with the above will be available at the company and at the web site www.climeon.com.

Item 14: Decision to authorize the Board to decide on share issues etc

The Board proposes that the AGM resolves to authorize the Board to, at one or more occasions, until the next annual general meeting, decide upon issues of B-shares, convertibles and/or warrants within the limits of the Company's Articles of Association as regards the number of shares and share capital, which is in force at the time of the issue decision. The issues may be done with or without pre-emptive rights for the company's shareholders. The Board may, if applicable, decide that payment shall be made by set-off or issue in kind. Issuance of new shares with the support of the authorization shall be carried out on customary terms under prevailing market conditions. If the Board deems it appropriate to enable the delivery of shares in connection with an issue as described above, this can be done at a subscription price corresponding to the quota value of the shares.

The purpose for the board to resolve on issuances with deviation from the shareholders preferential rights in accordance with the above is among all for the purpose to enable to raise further working capital and to enable the board of directors to direct share issues to investors that are seen as strategically important to the company by the board of directors.

Resolution by the AGM requires the support by shareholders holding not less than two third of both the shares voted and of the shares represented at the general meeting.

Item 15, Decision to adopt new Articles of Association

The Board of Directors proposes that the company's Articles of Association will be updated regarding item 9 of the Articles of Association regarding pre-notification for participation in general meeting in order to be able to use the alternatives specified by the Swedish Companies Act to collect proxies, decide on postal voting and on the presence of outstanding persons through the following addition of three new paragraphs in section 9:

" The Board of Directors may collect proxies at the company's expense in accordance with the procedure specified in Chapter 7, Paragraph 4, Section 2 of the Swedish Companies Act.

The Board of Directors may decide that the shareholders shall be able to exercise their voting rights by post before a general meeting in accordance with what is stated in Chapter 7, Paragraph 4a of the Swedish Companies Act.

The Board of Directors may decide that anyone who is not a shareholder in the company shall, on the terms determined by the Board of Directors, have the right to attend or otherwise follow the negotiations at the Annual General Meeting."

Item 16, Decision on the issuance of warrants within the framework of a new incentive program

The board of directors of, proposes that the AGM decides to issue a maximum of 997,500 warrants, which may result in a maximum total increase of the company's share capital with SEK 14,962.50. The warrants shall entitle to subscribe for new B shares in the company. The following main terms shall apply to the issuance:

- 1) A participant may subscribe for warrants each in accordance with three categories as set out below:
 - a) The CEO is offered to subscribe for a maximum of 87,500 warrants.
 - b) Senior executives and other selected key persons are offered to subscribe for a maximum of 52,500 warrants per person and in total a maximum of 210,000 warrants; and
 - c) Current and future other employees and key persons are offered to subscribe for a maximum of 17,500 warrants per person and in total a maximum of 700,000 warrants.
- 2) The warrants shall be subscribed as of May 26, 2022 up until August 31, 2022 on a separate subscription list. The board of directors shall be entitled to extend the time for subscription.
- 3) In the event of oversubscription within a category, the number of warrants shall be reduced pro rata based on how many warrants each participant has notified to subscribe. No subscriber shall be able to receive more than the maximum number of warrants per person / category, unless one or more persons refrain from subscribing for the maximum number of warrants per person / category. In the event that not all warrants are registered for subscription, the number of warrants shall be increased pro rata based on how many warrants each participant has notified to subscribe, among the persons who have notified to subscribe for more warrants than the maximum number of options per person / category specified in this section.
- 4) Subscribers shall for each warrant subscribed pay a price per warrant equal to the warrant's market value calculated according to the Black & Scholes valuation model at the time for subscription.
- 5) Payment for subscribed warrants shall be made in cash within five business days following subscription. The board of directors shall have the right to extend the period for payment.
- 6) Each warrant entitles to subscription of one new B share in the company at a price corresponding to 200 percent of the volume weighted average price listed for the company's shares at First North Premier during the period May 11, 2022 - May 25, 2022. Subscription of B-shares can take place during the period from September 1, 2025 up to an including September 30, 2025.

Resolution by the AGM requires the support by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting, due to the fact that the share issue is in made to persons who belong to one or more of the categories according to Ch. 16 of the Swedish Companies Act.

The purpose of the issuance and the deviation from the shareholders priority right is to be able to offer warrants within the Company's incentive program to senior executives, key persons and other employees of the Company and within the Group. The purpose is to create a common interest for the Company's shareholders and key persons and other employees to work for and aim at the company achieving the best development possible with respect to its business and value.

The Board's complete proposal together with the complete terms and conditions for the warrants are available at the company and on the company's website www.climeon.com.

Preparations of the board of directors' proposal regarding incentive program, costs for the program, dilution etc.

Incentive program 2022/2025 has been prepared by the board of directors and members of the management and external advisors and in consultation with major shareholders.

Subscription of the warrants shall be made at a price equal to the warrant's fair market value the day of subscription, which means no social fees should arise for the group in connection with the subscription of warrants. The warrants' fair market value, according to a preliminary valuation based on assumptions of the market value of the underlying share of SEK 13,84 at subscription and an exercise price of SEK 27,68 per share, SEK 1,00 per warrant. The Black & Scholes valuation model has been used for the valuation, assuming a risk-free interest rate of 0.821 percent and a volatility assumption of 40,2 percent, taking into account that no dividends and other distributions to shareholders are expected during the period of the program.

As the warrants are subscribed for at fair market value, it is the Company's assessment that there will be no social fees for the Company as a result of the subscription. The costs will therefore mainly consist of costs for the implementation and administration of incentive program 2022/2025.

The total number of registered shares and votes at the time of this proposal amount to 59 440 679 shares and 153 490 679 votes respectively. The maximum dilution of incentive program 2022/2025 is estimated to be a maximum of approximately 1.65 per cent of the total number of shares and a maximum of approximately 0.6 per cent of the total number of votes in the Company (calculated on the number of existing shares in the Company), assuming full subscription and exercise of all warrants offered.

Nomination Committee's proposal

The nomination committee for the AGM 2022 consists of Anne Holm Rannaleet (Chairman), Joachim Karthäuser, Björn Wasing, Peter Lindell and the Chairman of the Board Thomas Öström. The proposal from the nomination committee regarding items 2 and items 9-12 in the agenda together with their motivated statement are held available at the company and at the web site www.climeon.com. In summary, the nomination committee proposes the following regarding items 2 and items 9-12 in the agenda:

Item 2; Appointment of the Chairman for the Meeting

The lawyer Sven Rasmusson, from the legal firm Rasmussen & Partners Advokat AB is proposed to be appointed as Chairman of the AGM.

Item 9; Resolution regarding the number of Board members and deputies and number of auditors

It is proposed that the Board should comprise of five (5) directors (previous year 5) and no deputy directors (previous year 0) for the period up to the next AGM. One auditing firm is proposed to be appointed.

Item 10; Decision regarding fee for the Board and for the auditor

It is proposed that the over-all Board fee will be SEK 1,200,000 (previous year SEK 1 200 000) whereof SEK 400,000 is to be allocated to the Chairman (previous year SEK 400,000) and SEK 200,000 (previous year SEK 200,000) to all other non-employed Board members. In addition, a fee of SEK 40,000 (SEK 40,000) is proposed to the Chairman of the remuneration committee and SEK 20,000 (SEK 20,000) to each other member of the remuneration committee. A fee of SEK 80 000 (SEK 80 000) is proposed to the Chairman of the audit committee and SEK 40,000 (SEK 40,000) to each other member of the audit committee.

The Nomination Committee proposes that the auditor will be paid a fee in accordance with a reasonable invoice approved by the company.

Item 11; Election of Board members and Chairman of the Board

It has been noted that Charlotte Strand during 2021 has resigned as board member due to personal reasons and that Jan Svensson and Therese Lundstedt have notified that they, due to lack of time, have declined re-election.

It is proposed that the present board members Thomas Öström and Anders Lindberg will be re-elected and that Liselotte Duthu Törnblom, Peter Carlberg and Håkan Osvald will be newly elected. Håkan Osvald is proposed as new Chairman of the Board.

Liselotte Duthu Törnblom, who is proposed as new Board member, was born in 1960, and holds a Master of Science in Economics from Uppsala University. Liselotte Duthu Törnblom has been active within the Atlas Copco Group for several years in different positions, amongst other, within business control, finance and internal audit and has led a number of successful projects concerning, for example the implementation of new ERP platforms, automation of reporting and tools for financial analysis. Liselotte is since the beginning of 2022 serving within the Atlas Copco Group as Senior Advisor/VP Group Controller and will hand over to her successor during autumn 2022. She has international experience from both sales and manufacturing companies within the Atlas Copco Group in France, Belgium and China and also has external board experience from Desotec NV in Belgium.

Peter Carlberg, who is proposed as a new Board member, was born in 1955, has a Bachelor of Science in Engineering from Novia University in Finland and today runs his own consulting business. Peter has broad and international operational experience from both marine and offshore operations as well as from joint-venture collaborations and business integrations. Amongst other, Peter has served as CEO of Alfa Laval Marine & Diesel Equipment in Sweden and has been the CEO of Alfa Laval's subsidiary in Korea, of Framo AS in Norway and of the South Korean company LHE.co.kr. He has board experience and has been a board member of, among others, Consilium AB and MESAB AB.

Håkan Osvald, who is proposed as a new board member, as well as Chairman of the Board, was born in 1954, has a law degree from Uppsala University and is today Chief legal officer at Atlas Copco, a position he will leave on April 30, 2022. Håkan has both broad and international experience from management and legal functions within the Atlas Copco Group, including responsibility for M&A globally, stock exchange and compliance as well as other legal matters. He was stationed in the United States for a period and was then part of the local company's management team. He is, since 2012, a member of Atlas Copco's Group Management, which includes handling extensive committee work and assisting the Board as the Board's secretary as well as in the Nomination Committee and at the Annual General Meeting. Håkan serves as Board member in several bodies and companies within the Atlas Copco Group, of which he is Chairman of the Board in two. He is a board member of the Sweden China Trade Council, the Swedish Foreign Trade Association and Djurgården Hockey.

Information about the Board members proposed for re-election is available at the company's website www.climeon.com. Furthermore, the Nomination Committee's proposal with its reasoned opinion regarding the proposal for board elections can be found on the company's website.

Item 12; Election of auditors

The audit firm Deloitte AB is proposed to be re-elected. It is noted that Deloitte AB has notified that the chartered accountant Daniel Wassberg will be appointed as new auditor if Deloitte AB is re-elected.

Documents etc.

The annual accounts with the auditors' report, as well as the Board's proposal and related documentation will be held available at the company and on the company's website www.climeon.com no later than on the 20th of

April 2022. The Board's proposals and other documents will be kept available at the company and on the company's website www.climeon.com no later than April 27, 2022. Copies of the said documentation and all other documents available for the AGM will be sent by post to shareholders requesting it and stating their postal address.

The Board of Directors and the CEO shall, if any shareholder so requests and the Board considers that this can be done without significant harm to the company, provide information on circumstances that may affect the assessment of a matter on the agenda, circumstances that may affect the assessment of the company or subsidiary's financial situation and the company's relationship with other companies within the Group.

The total numbers of shares in the company on the date of this notice amount to 59 440 679 shares of which 10 450 000 are A-shares and 48 990 679 B-shares, whereby the total number of votes in the company amounts to 153 490 679 votes.

Kista in April 2022

Climeon AB (publ)

Board of Directors

This document has been published in a Swedish and an English version. The Swedish version shall prevail in the event of differences between the two.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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About Climeon AB (publ)

Climeon is a Swedish product company within energy technology. The company's unique technology for thermal power - Heat Power - makes accessible a largely unused energy source and provides sustainable electricity from hot water, around the clock, all year round. Heat Power is a cheap and renewable energy source with the potential to replace much of the energy that today comes from coal, nuclear power, oil and gas. The B share is listed on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is a Certified Adviser, +46 (0) 8-528 00 399 info@fnca.se.

Learn more at climeon.com.