

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

The shareholders are hereby called to the Annual General Meeting in Climeon AB, 556846-1643, to be held on Thursday May 16, 2019 at 17.00 hours, at Meeting Room's conference rooms with the address Alströmergatan 20 in Stockholm.

Participation, registration etc.

Shareholder wishing to participate in the meeting must:

- be listed as owner in the company's share register printed out by Euroclear Sweden AB on Friday May 10, 2019, and
- have notified the company via the Company's website www.climeon.com/agm2019/ or via e-mail at bolagsstamma@climeon.com or by post to Climeon AB att: Catarina Mellin, Torshamnsgatan 44, 164 40 Kista at the latest by Friday May 10, 2019, at 16.00 hours.

Nominee shares

Shareholders with nominee shares must, in order to be entitled to participate in the meeting, arrange to be temporarily registered by Euroclear Sweden AB. The nominee must be notified of this in good time before May 10, 2019, at which date such registration must be effected in order to be included in the share register printed by Euroclear Sweden AB that day.

Proxy

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 form is available at the Company's website.

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) Presentation by the CEO

- b) Presentation of the annual report and the statement of the auditors for the company regarding the financial year 2018.
8. Resolutions regarding
- a) adoption of the income statement and balance sheet for the company,
 - 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. a) Decision regarding fee for the Board.
b) Decision regarding auditor's fee.
11. Election of Board members and auditor.
12. Approval of the board of directors' resolution regarding incentive program for employees through issue of a maximum of 1,200,000 warrants.
13. Decision to authorise the Board to decide on share issues etc.
14. Other matters.
15. Closing of the meeting.

Proposal from the Board

Item 12: Approval of the board of directors' resolution regarding incentive program for present and future employees and especially chosen consultants through issue of a maximum of 1,200,000 warrants

The board of directors of the Company proposes that the annual general meeting decides to approve the board of directors' resolution from 15 April 2019 to issue a maximum of 1,200,000 warrants, which may result in a maximum total increase of the company's share capital with SEK 18,000. The warrants shall entitle to subscription of new B shares in the company.

The following terms shall apply to the issuance:

The warrants may, with deviation from the shareholders' priority right, be subscribed for by current and future members of the management, key persons and other employees and if applicable especially chosen consultants of the Company and future group companies.

A participant may subscribe for warrants each in accordance with three categories as set out below:

- A. The current and future management and other senior executives and other senior key persons are offered to subscribe for a maximum of 30,000 warrants per person and in total a maximum of 300,000 warrants; and
- B. Current and future other employees and key persons are offered to subscribe for a maximum of 15 000 warrants per person and in total a maximum of 500,000 warrants;

- C. Certain especially chosen consultants that have significant importance for the business of the company or future Group companies are offered to subscribe for a maximum of 200,000 warrants per consultant and in total a maximum of 400,000 warrants.

The warrants shall be subscribed as of 1 June 2019 up until 31 December 2019 on a separate subscription list. The board of directors shall be entitled to extend the time for subscription.

There will be no guaranteed allocation. In case of over subscription by the above categories the allotment shall be made follows. First, allocation shall be made pro rata in relation to the number of warrants notified. Secondly, allocation shall be made through the drawing of lots executed by the company

Those who are entitled to subscribe for the warrants shall in connection with the subscription of the warrants pay a premium equal to the warrant's market value calculated according to the Black & Scholes valuation model at the time for the subscription.

Payment for subscribed warrants shall be made in cash within five business days following subscription at the latest. The board of directors shall have the right to extend the period for payment.

Each warrant entitles to subscription of one new B share in the company at a price corresponding to 175 percent of the volume weighted average price listed for the company's shares at First North Premier 20 trading days prior to 1 June 2019. Subscription of B-shares can take place during the period from 1 December 2022 up to an including 30 December 2022 or the earlier date set forth in the terms for the warrants.

A new B-share subscribed for by exercise of a warrant has a right to dividends as of the first record day for dividends following registration of the new issued shares with the Companies Registration Office and Euroclear Sweden AB.

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 present and future key persons and other employees of the Company and if relevant within the future Climeon 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 complete terms and conditions for the warrants are available at the Company, including conditions regarding re-calculation, in certain cases, of the subscription price and the number of shares a warrant entitles to.

It is proposed that the board of directors or a person appointed by the board of directors be authorised to make such minor adjustments in the above resolution that may be required in connection with the registration with the Swedish Companies Registration Office and if applicable with Euroclear Sweden AB.

Preparations of the board of directors' decision regarding incentive program 2019/2022, costs for the program, other outstanding share-based incentive programs, dilution etc.

Incentive program 2019/2022 has been prepared by the board of directors and members of the management and external advisors and in consultation with major shareholders.

Valuation

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 war-rants. The warrants' fair market value, according to a preliminary valuation based on assumptions of the market value of the underlying share of SEK 95.80 at subscription and an exercise price of SEK 167.65

per share, SEK 15.66 per warrant. The Black & Scholes valuation model has been used for the valuation, assuming a risk-free interest rate of -0.35 percent and a volatility assumption of 51.6 percent, taking into account that no dividends and other distributions to shareholders are expected during the period of the program. With respect to the illiquidity in the warrants, a so called illiquidity discount of 20 percent has been applied to the warrants value. Final price for the warrants will be established in connection with each subscription occasion.

Costs and effects on key figures

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 consist only of limited costs for the implementation and administration of incentive program 2019/2022.

Dilution

The total number of registered shares and votes at the time of this proposal amount to 49,180,279 shares and 177,430,279 votes respectively. The maximum dilution of incentive program 2019/2022 is estimated to be a maximum of approximately 2.38 per cent of the total number of shares and a maximum of approximately 0.67 per cent of the total number of votes in the Company (calculated on the number of existing shares the Company without consideration of outstanding warrants), assuming full subscription and exercise of all warrants offered. The dilution of incentive program 2019/2022, also taking into account all other outstanding warrants in the Company, is estimated to approximately 2.35 per cent of the total number of shares and a maximum of approximately 0.67 per cent of the total number of votes in the Company, provided that full subscription and exercise of all issued warrants occurs.

Other outstanding share based incentive programs

For a description of the Company's other share-based incentive programs refer to the Company's annual accounts for 2018. Other than there described programs no other share-based incentive programs exists within the Company.

Item 13; Decision to authorise the Board to decide on share issues etc

The Board proposes that the annual general meeting 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 with the right to subscribe for B-shares that encompass a share capital increase of up to SEK 45,000 which corresponds to up to 3,000,000 new B-shares. 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.

The purpose for the board to resolve on issuances with deviation from the shareholders preferential rights in accordance with the above is primarily for the purpose to raise new capital for example in connection with acquisitions 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

In case the authorisation is utilized in full, it will have a dilution effect of approximately 5,7 % for present shareholders (based on 49,180,279 outstanding shares excluding outstanding warrants).

Number of shares and votes

The total numbers of shares in the company on the date of this notice amount to 49,180,279 shares, of which 14,250,000 are A shares corresponding to 142,500,000 votes and 34,930,279 B shares corresponding to 34,930,279 votes, whereby the total number of votes in the company amounts to 177,430,279 votes. The company does not hold any own shares.

Majority rules

Resolution in accordance with item 12 above require 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.

Miscellaneous

The notice together with other required documents under the Swedish Companies Act will be available at the company and at the company's website, www.climeon.com, as of the date of this notice. The documents will also, at no cost, be sent to shareholders upon request provided that the shareholders state their postal address.

The shareholders are reminded of their right to request information at general meeting from the board of directors and the managing director in accordance with Ch. 7 Section 32 of the Swedish Companies Act.

Annual report

The annual report and the audit report for the financial year 2018 is available at the company and will be emailed to those shareholders requesting this.

Kista 15 April 2019

Climeon AB (publ)
Board of Directors

About Climeon AB (publ)

Climeon is a Swedish product company within energy technology. The company's unique technology for geothermal heat power - Heat Power - makes a large untapped energy resource available and provides sustainable electricity around the clock all year round. Heat Power is a cheap and renewable energy source with the potential of replacing much of the energy that comes from coal, nuclear, oil and gas, today. Climeon aims to become a global leader and the world's number one climate solver. The B share is listed on Nasdaq First North Premier. Certified Adviser is FNCA Sweden AB, +46(0)8-528 00 399, info@fnca.se.