

## Notice of Annual General Meeting in Ovzon (publ)

The shareholders of Ovzon AB (publ), reg. no. 559079-2650, (the "**Company**"), are hereby convened to the annual general meeting to be held on Wednesday 1 April 2020, at 16.00 at the Company's premises at Anderstorpsvägen 10 in Solna. The doors to the meeting will open at 15.30.

### Right to attend the annual general meeting and notice:

Shareholders wishing to attend the annual general meeting must:

- i. on the record date, which is Thursday 26 March 2020, be registered in the share register maintained by Euroclear Sweden AB. Shareholders, whose shares are registered in the name of a nominee, must temporarily register the shares in their own name at Euroclear Sweden AB. Shareholders whose shares are registered in the name of a nominee, therefore must, no later than on Thursday 26 March 2020, via their nominee, temporarily register the shares in their own name in order to be entitled to participate at the general meeting; and
- ii. notify the participation at the general meeting no later than Thursday 26 March 2020. Notice of participation at the general meeting shall be sent by regular mail to AGM 2020, Ovzon AB (publ), Baker & McKenzie Advokatbyrå KB, Attn: Ian Gulam, Box 180, 101 23 Stockholm or by e-mail to [ian.gulam@bakermckenzie.com](mailto:ian.gulam@bakermckenzie.com). Upon notification, the shareholder should state their full name, personal identification number or corporate registration number, address and telephone number, and, where applicable, details of representatives, proxy holders and advisors. A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the registration certificate or corresponding document ("**Registration Certificate**") shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. The proxy in original and the Registration Certificate, if any, must be available at the general meeting and a copy should well before the meeting be sent to the Company by regular mail to AGM 2020, Ovzon AB (publ), c/o Baker & McKenzie Advokatbyrå KB, Attn: Ian Gulam, Box 180, 101 23 Stockholm, and should, in order to facilitate the entrance to the general meeting, be at the Company's disposal no later than on Thursday 26 March 2020. A form proxy will be available for downloading on the Company's website [www.ovzon.com](http://www.ovzon.com).

### Proposed agenda

1. Opening of the meeting and election of the chairman of the general meeting
2. Preparation and approval of voting list
3. Approval of the agenda
4. Election of one or two persons to certify the minutes
5. Determination of whether the general meeting has been duly convened
6. Presentation of the submitted annual report and auditors' report and the consolidated annual report and auditors' report for the group
7. Resolution
  - a) regarding the adoption of the income statement and balance sheet and the consolidated income statement and balance sheet,
  - b) regarding allocation of profit or loss in accordance with the adopted balance sheet, and
  - c) regarding the discharge from liability of the board members and of the managing director
8. Determination of remuneration to the board and to the auditors
9. Election of board members and auditors as well as possible deputy auditors
10. Resolution regarding adoption of principles for the nomination committee
11. Resolution regarding guidelines for remuneration to senior executives
12. Resolution regarding authorization for the board to issue shares and warrants
13. Resolution to implement a warrant based incentive program for all employees
  - A. Resolution to issue warrants of series 2020/2023
  - B. Resolution on approval of transfer of warrants of series 2020/2023 to employees

#### 14. Closing of the meeting

##### **Proposals for resolutions:**

##### **Item 1: Opening of the meeting and election of the chairman of the general meeting**

The nomination committee proposes that Joakim Falkner, attorney at law, Baker & McKenzie Advokatbyrå, is appointed as chairman of the general meeting.

##### **Item 7 b): Resolution regarding allocation of profit or loss in accordance with the adopted balance sheet**

The board of directors proposes that all funds available for the annual general meeting shall be carried forward.

##### **Item 8-9: Determination of remuneration to the board and to the auditors and election of board members and auditors as well as possible deputy auditors**

The nomination committee proposes that the board shall consist of six directors. The nomination committee further proposes that the number of auditors shall be one registered accounting firm.

The nomination committee proposes that the remuneration is to be SEK 1,225,000 in total, including remuneration for committee work (SEK 900,000 previous year), and shall be paid to the board of directors and the members of the established committees in the following amounts:

- SEK 175,000 (SEK 150,000) for each of the non-employed directors and SEK 350,000 (SEK 300,000) to the chairman provided that the chair is not an employee.

The nomination committee further proposes that the remuneration for committee shall be paid to the board of directors and the members of the established committees in the following amounts:

- SEK 80,000 to the Chairman and SEK 35,000 to the other members of the Audit Committee and SEK 25,000 to the Chairman and SEK 20,000 to the rest of the Remuneration Committee.

The nomination committee proposes that the auditor shall be entitled to a fee in accordance with approved invoice.

The nomination committee proposes the re-election of Anders Björkman, Nicklas Paulson, Magnus René and Patrik Tigerschiöld. Furthermore, it is proposed to elect Dan Jangblad and Cecilia Driving as new directors of the board. Lennart Hällkvist has declined re-election. Furthermore it is proposed to re-elect Anders Björkman as the chairman of the board.

The nomination committee further proposes the re-election of the registered audit firm Grant Thornton Sweden AB as the company's auditor for a period up until the end of the next annual general meeting. Grant Thornton Sweden AB has announced its appointment of Carl-Johan Regell as main responsible auditor.

##### **Item 10: Resolution regarding adoption of principles for the nomination committee**

The nomination committee proposes that the following principles for the nomination committee are adopted. The principles are mainly the same as last year.

The nomination committee shall consist of four members, of whom three are to be appointed by the three largest owner registered shareholders, with respect to voting power, listed in the share register maintained by Euroclear Sweden AB on 31 August each year, and the chairman of the board, who also shall summon the nomination committee to its first meeting.

The ownership statistics used to determine who has the right to appoint a member of the nomination committee shall be sorted by voting power (owner grouped) and include the 25 largest owner registered shareholders in Sweden. An owner registered shareholder is a shareholder who has an account with Euroclear Sweden AB in its own name or a shareholder who holds an account with a nominee and has its identity reported to Euroclear Sweden AB.

The member appointed by the largest shareholder, with respect to voting powers, shall be elected as chairman of the nomination committee, provided that such member is not also a member of the board of directors. The nomination committee shall fulfil the requirements regarding composition set out in the Swedish Corporate Governance Code (the "Code").

If a one or several shareholders who have appointed members of the nomination committee ceases to be one of the three largest shareholders, with respect to voting powers, prior to three months before the annual general meeting, members appointed by such shareholders shall offer their seat to the shareholder who has become one of the three largest shareholders who shall have the right to appoint a replacement for the resigning member. If a member of the nomination committee resigns before the nomination committee has completed its assignment, and the nomination committee finds it desirable to appoint a replacement, the shareholder who is represented by such member, or if the shareholder is no longer one of the three largest shareholders, the next shareholders with the largest voting power, shall be entitled to appoint a replacement member. A change in the composition of the nomination committee shall be published immediately.

The composition of the nomination committee, together with the names of the shareholders they have been nominated by, shall be published on the Company's website no later than six months before the annual general meeting. No remuneration shall be paid to the members of the nomination committee. Any necessary costs associated with the work of the nomination committee shall be borne by the Company.

The mandate period for the nomination committee runs until the next committee's composition is announced. The nomination committee is to promote the interests of all shareholders of the Company with respect to question within the tasks for the committee as set out in the Code. Without limitation to the aforementioned the nomination committee shall propose the chairman of the annual general meeting, board of directors, chairman of the board, auditor, remuneration to the directors divided between the chairman and other directors and committee work and other remuneration for board assignments, remuneration to the Company auditor and principles for appointment of the nomination committee.

#### **Item 11: Resolution regarding guidelines for remuneration to senior executives**

The board of directors of the Company proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to the CEO and other senior executives, being members of the group management. The guidelines are mainly the same as last year.

The remuneration paid to the group management is to comprise fixed salary, possible variable remuneration, pension and other benefits, such as any company car and company healthcare etc. The total remuneration package should be based on terms prevailing in the market, be competitive and reflect the individual's performance and responsibilities as well as, with respect to any share based incentive plans, the value growth of the Company's share which is to the benefit of the shareholders.

Variable salary in cash is conditional upon the fulfillment of defined and measurable goals which should be determined by results. The variable salary in cash should at most amount to 50 percent of the annual fixed salary for the respective senior executive. Terms and conditions for variable salary shall give the board of directors the option to, under exceptional economic conditions, limit or refrain from payment of variable salary, if such action is deemed reasonable and consistent with the Company's responsibility towards shareholders, employees and other stakeholders.

Pension benefits should be defined contribution. The age of retirement follows the country specific pension rules.

Members of the group management shall as a main rule have a mutual notice period of 6 months. Any severance pay may amount to a maximum of 12 months for the members of the group management and a maximum of 18 months for the CEO. No severance payment will be made when the employment is terminated by the employee.

The board of directors shall have the right to deviate from the guidelines resolved by the general meeting if, in an individual case, there are special reasons for this.

The members of the board of directors may in special cases be remunerated for services carried out within their specific area of expertise, which do not constitute board work. For such services, market compensation shall be paid, which is subject to approval by the board and to information at the annual general meeting.

The total amount of remuneration granted or to be granted directly or indirectly by the Company to the senior executives is fully described in the consolidated financial accounts of the Company, as disclosed in its annual accounts for 2019 which is available at the Company's website, [www.ovzon.com](http://www.ovzon.com).

#### **Item 12: Resolution regarding authorization for the board to issue shares and warrants**

The board of directors of the Company proposes that the general meeting resolves to authorize the board of directors during the period up until the next annual general meeting to, on one or more occasions, resolve to issue shares and/or warrants, with or without preferential rights for the shareholders, in the amount not exceeding ten (10) per cent of the total number of shares in the Company as of the date of the annual general meeting, to be paid in cash, in kind and/or by way of set-off.

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 to increase flexibility of the Company and possibility to advance the development of the Company's satellite projects or in connection with acquisitions.

Issuances of new shares under the authorization shall be made on customary terms and conditions based on current market conditions. If the board of directors finds it suitable in order to enable delivery of shares in connection with a share issuance as set out above it may be made at a subscription price corresponding to the shares quota value.

The board of directors or a person appointed by the board of directors shall be authorized to make such minor adjustments in the above resolution that may be required in connection with the registration with the Swedish Companies Registration Office.

#### **Item 13: Resolution to implement a warrant based incentive program for all employees**

The board of directors of the Company proposes that the annual general meeting resolves to implement a warrant based incentive program for all employees in the companies within the group in which the Company is the parent company (the "**Group**" and "**Warrant Program 2020/2023**" respectively) through (A) a resolution on a directed issue of warrants of series 2020/2023 to the Company's wholly owned subsidiary OverHorizon AB, reg. no. 556679-1181, (the "**Subsidiary**"), and (B) a resolution approving the transfer of warrants of series 2020/2023 from the Subsidiary to employees, as below. The Group has employees in Sweden and USA.

The proposal for a resolution to implement Warrant Program 2020/2023 and the proposals under sections 13.A and 13.B, constitutes one overall proposal, which shall be resolved upon as one resolution.

##### 13.A resolution to issue warrants of series 2020/2023

The board of directors proposes that the general meeting resolves to issue a maximum of 700,000 warrants of series 2020/2023 on the following terms and conditions:

With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by the Subsidiary, with right and obligation for the Subsidiary to transfer the warrants to employees in accordance with what is stated under item 13.B. The Subsidiary shall not have the right to dispose of the warrants in any other way than as stated under item 13.B below.

The reason for the deviation from the shareholders' preferential rights is to that the warrants should be used within the framework of the Warrant Program 2020/2023.

The warrants shall be issued to the Subsidiary without consideration.

Subscription of warrants shall be made on a separate subscription list on 29 April 2020 at the latest. The board of directors shall have the right to prolong the subscription period.

Each warrant entitles the holder to subscribe for one new share in the Company against cash payment at a subscription price corresponding to 200 percent of the volume weighted average price for the Company's share on Nasdaq First North Premier Growth Market during the period from 14 April 2020 up to and including 27 April 2020. The subscription price shall be rounded to the nearest entire öre, whereas 0.5 öre shall be rounded upwards.

The warrants may be exercised for subscription of shares during the period from 1 May 2023 up to and including 31 May 2023.

Shares issued upon exercise of the warrants confers right to dividends for the first time on the next record date for dividends which occurs after subscription is effected.

The full terms and conditions for the warrants of series 2020/2023 are held available at the Company and at the Company's website no later than three weeks before the meeting (the "**Warrant Terms**"). According to the Warrant Terms the subscription price and the number of shares which each warrant confers right to subscribe for may be recalculated in the event of a bonus issue, reverse share split or share split, new issue, issue of warrants or convertibles and under some other circumstances. Further, the period for exercising the warrants may be changed to an earlier or later period/date under some circumstances.

If all warrants are subscribed for, all warrants are transferred to employees in accordance with the proposal under section B below and all warrants are exercised for subscription of shares, the Company's share capital will increase by SEK 70,000 (with reservation for eventual recalculations according to the Warrant Terms).

The board of directors, or anyone appointed by the board of directors, shall be authorized to make such minor formal adjustments in the issue resolution that may be necessary in connection with the registration of the resolution at the Swedish Companies Registration Office (Sw. Bolagsverket) or, as applicable, Euroclear Sweden AB.

### 13.B Resolution on approval of transfer of warrants of series 2020/2023 to employees

The board of directors proposes that the general meeting resolves to approve that the Subsidiary, within the framework of the Warrant Program 2020/2023, transfers a maximum of 700,000 warrants of series 2020/2023 to employees in the Group on the following terms and conditions:

The right to acquire warrants from the Subsidiary shall be granted to all persons that on 1 April 2020 are employed in the Group as follows:

- a) The CEO of the Company (1 person) ("**Category 1**") shall be entitled to acquire 80,000 warrants.
- b) Other persons who are members of the Group management (maximum 6 persons) ("**Category 2**") shall be entitled to acquire 40,000 warrants each.
- c) Other employees (approximately 25 persons) ("**Category 3**") shall be entitled to acquire a maximum of 20 000 warrants each.

A person who has entered into an employment agreement with a company within the Group but has not yet taken up his/her employment as of the mentioned date, shall be regarded as employee.

An employee can give notice of acquisition of a lower, but not a higher, number of warrants than he/she is entitled to acquire.

Employees within Category 1 and Category 2 who gives notice of acquisition of warrants within the maximum limits set out in (a) and (b) above are guaranteed to acquire the number of warrants set out in the notice.

If the total number of warrants that employees within Category 3 want to acquire exceeds the number of warrants remaining after distribution to Category 1 and Category 2 as above, the remaining warrants shall in the first place be distributed equally among the employees in Category 3 who have given notice to acquire warrants (per person and not pro rata in relation to the number of warrants set out in their respective notice). However, no one shall be allotted more warrants than the number set out in his/her notice.

Transfer of warrants shall take place at market value at the time of the transfer. Calculation of the warrants market value shall be performed by an independent valuation institution, applying the Black & Scholes valuation model.

Notice of acquisition of warrants according to 1 above shall be received by the Company on 30 April 2020 at the latest. The board of directors shall have the right to prolong the notification period.

Payment for warrants to be acquired shall be made no later than 5 May 2020. The board of directors has the right to prolong the payment period.

A prerequisite for being entitled to acquire warrants from the Subsidiary is that the person is employed by a company within the Group at the time of the acquisition and that he/she at that time has neither given nor received any notice of termination of his/her employment. An additional prerequisite is that the acquisition of warrants can take place legally. A person who has entered into an employment agreement with a company within the Group but has not yet taken up his/her employment, shall be regarded as employee in this context.

Any warrants that are not acquired by/transferred to employees as above may be reserved in the Subsidiary for future recruitment and may, on instructions from the board of directors, on one or more occasions, but no later than 30 September 2020, be transferred to persons newly hired by companies within the Group, whereby the corresponding principles for allotment (number of warrants that may be acquired), prerequisites for the right to acquire warrants etc., as stated above, shall be applied. If such an offer is made, a new calculation of the market value of the warrants shall be made in order to determine at what value the transfer shall take place.

A general meeting in the Subsidiary shall also approve subsequent transfers of warrants in accordance with the above.

#### Additional information

The motive for the proposal and the reason for the deviation from the shareholders' preferential rights  
The motive for the proposal to implement Warrant Program 2020/2023 and the reason for the deviation from the shareholders' preferential rights, is to be able to offer employees in the companies within the Group an opportunity to take part in a growth in value in the Company's share, which can be expected to lead to increased commitment for the Company's operations and earnings, as well as increased motivation and sense of belonging with the Company. The board of directors considers that this may have a positive impact on the Company's continued development to the benefit of the Company and its shareholders.

#### *Dilution and information regarding previous share related incentive programs*

Per the day of this proposal there are 34,944,155 shares in the Company.

In case all warrants that can be issued and transferred within the framework of Warrant Program 2020/2023 are transferred to employees and all warrants are utilized for subscription of shares, the number of shares and votes in the Company will increase by 700,000 (with reservation for eventual recalculations according to the Warrant Terms), which corresponds to a dilution of approximately 1.96 percent.

There are two outstanding share related incentive programs in the Company – one warrant program for employees in Sweden ("**Warrant Program 2018/2021**") and one employee stock option program for employees in USA ("**Employee Stock Option Program 2018/2021**").

There are 145,000 outstanding warrants under the Warrants Program 2018/2021. After recalculations due to the new issue in January 2019, each such warrant entitles the holder to subscribe for 2.02 new shares in the

Company at a subscription price of SEK 59.41 during the period from 15 May 2021 up to and including 15 June 2021.

There are 143,000 outstanding employee stock options under Employee Stock Option Program 2018/2021. After recalculations due to the new issue in January 2019, each such employee stock option entitles to acquisition of 2.02 shares in the Company at a price of SEK 59.41 per share. The employee stock options will be vested over a three-year period and they can be exercised no later than on 15 June 2021. Delivery of shares under the program has been hedged through warrants held by the Subsidiary.

If (i) all warrants that can be issued and transferred under the Warrants Program 2020/2023 are transferred to employees and all warrants are exercised for subscription of shares, (ii) all outstanding warrants under Warrants Program 2018/2021 are exercised for subscription of shares and (iii) all outstanding employee stock options under Employee Stock Option Program 2018/2021 are vested and exercised for acquisition of shares (new shares via the hedging solution), the number of shares and votes in the Company will increase by 1,281,760 in total (with reservation for eventual recalculations according to the warrant terms for each program), which corresponds to a dilution of approximately 3.54 percent in total.

The dilution effects have been calculated as the number of additional shares and votes in relation to the number of existing shares and votes plus the number of additional shares and votes.

#### *Costs and effects on key figures*

The market value of a warrants of series 2020/2023 is, according to a preliminary valuation based on a market value of the underlying share of SEK 65, SEK 3.47 per warrant, assuming a subscription price of SEK 130 per share, a volatility of 35 percent and a risk-free interest rate of -0.3 percent. The preliminary valuation is based on assumptions. When transferring warrants to employees, the market value will be determined based on updated assumptions and then known parameters.

Since the warrants in the Warrants Program 2020/2023 shall be transferred at market value at the time of the transfer, the Warrants Program 2020/2023 is not expected to incur any costs for the Company when it comes to employees residing in Sweden.

When it comes to employees residing in USA, the Warrants Program 2020/2023 will incur costs for the Company in the form of social security contributions and accounting costs, since they according to US law are equated with employee stock options. The total costs for social security contributions will depend partly on the number of warrants that employees residing in USA acquire and exercise for subscription of shares, and partly on the market value of the Company's share at the time of exercise of the warrants in 2023. In case all employees residing in USA acquires all warrants that they will be offered to acquire and exercises all warrants for subscription of shares, the costs incurred by the Company are, at an assumed market value of SEK 200 on the Company's share at the time of exercise, estimated to amount to a maximum of SEK 2,400,000. Accounting costs in accordance with IFRS 2 are estimated to amount to approximately SEK 1,400,000, distributed over the term of the warrants.

Costs in the form of fees to external advisers and costs for administering the program are estimated to amount to approximately SEK 150,000.

The warrants are expected to have a marginal effect on the Company's key figures.

#### *Preparation of the proposal*

The proposal for a resolution to implement Warrant Program 2020/2023 and the proposals under sections A and B above have been prepared by the board of directors together with external advisers. It is noted that the CEO of the Company, who is also a member of the board of directors, has not participated in the board of directors' preparation of the proposal, as he, as an employee, is comprised by the proposal.

#### Majority requirements

The resolutions in accordance with item **Error! Reference source not found.** regarding issue of warrants and approval of subsequent transfer of warrants are subject to the provisions of Ch. 16 of the Swedish Companies Act and valid resolutions therefore require that these proposals are supported by shareholders representing at least nine tenths of the votes cast and the shares represented at the general meeting.

A resolution in accordance with item 12 is valid where supported by shareholders representing at least two thirds of the votes cast and the shares represented at the general meeting.

#### Number of shares and votes

The total number of shares in the Company as of the date hereof amounts to 34,944,155 shares, with a corresponding number of votes. The Company holds no shares of its own.

#### Further information

Copies of the annual accounts, audit report, proxy form, complete proposals and other documents that shall be available in accordance with the Swedish Companies Act are available at the Company at Anderstorpsvägen 10 in Solna and at the Company's website [www.ovzon.com](http://www.ovzon.com), at least three (3) weeks in advance of the annual general meeting and will be sent to shareholders who request it and provide their e-mail or postal address. The nomination committee's complete proposal including the statement on the nomination committee's proposal regarding the board of directors are held available on the Company's website as of the date for the notice and will also be sent to shareholders who request this report and provide their e-mail or postal address.

The shareholders hereby notified regarding the right to, at the annual general meeting, request information from the board of directors and managing director according to Ch. 7 § 32 of the Swedish Companies Act.

#### Processing of personal data

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammorengelska.pdf>.

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Solna in March 2020  
**Ovzon AB (publ)**  
The board of directors