

# Notice of Annual General Meeting in Ovzon AB (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 Tuesday 13 April 2021, at 10.00 at the Company's premises at Anderstorpsvägen 10 in Solna.

## Information with respect to the coronavirus

Due to the development of the coronavirus the goal is that the annual general meeting shall be swift and effective to minimize spread of disease. Shareholders should carefully consider the possibility to vote in advance, please see below, as well as the possibility of participating by way of proxy. Shareholders who display symptoms of infection (dry cough, fever, respiratory distress, sore throat, headache, muscle and joint ache), have been in contact with people displaying symptoms, have visited a risk area, or belong to a risk group, are in particular encouraged to utilize such possibility. The board of directors of the Company has resolved on the following measures to minimize the risk of the spread of the coronavirus at the general meeting:

- Possibility to vote in advance.
- Registration for the general meeting will commence at 09.45.
- External guests will not be invited.
- No food or refreshments will be served.
- No presentation will be held.

The Company follows the development and the recommendations of the authorities and will, if necessary, update the information about the general meeting on the Company's website, [www.ovzon.com](http://www.ovzon.com).

## Right to attend and notification

Shareholders wishing to attend the annual general meeting must:

- i. on the record date, which is Thursday 1 April 2021, be registered in the share register maintained by Euroclear Sweden AB; and
- ii. notify the participation at the general meeting no later than Thursday 8 April 2021. Notice of participation at the general meeting shall be sent by regular mail to AGM 2021, 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.

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 1 April 2021 via their nominee, temporarily register the shares in their own name in order to be entitled to participate at the general meeting. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than on Wednesday 7 April 2021 will be considered in preparations of the share register.

## Proxy etc.

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 2021, 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 8 April 2021. A form proxy will be available for downloading on the Company's website [www.ovzon.com](http://www.ovzon.com).

### **Advance voting**

The shareholders may exercise their voting rights at the general meeting by voting in advance, so called postal voting in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. The Company encourages the shareholders to use this opportunity in order to minimize the number of participants attending the general meeting in person and thus reduce the spread of the infection.

A special form shall be used for advance voting. The form is available on [www.ovzon.com](http://www.ovzon.com). A shareholder who is exercising its voting right through advance voting do not need to notify the Company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be at the Company's disposal no later than on Thursday 8 April 2021. The completed and signed form shall be sent to the address stated under "Right to attend and notification" above. A completed form may also be submitted electronically and is to be sent to [ian.gulam@bakermckenzie.com](mailto:ian.gulam@bakermckenzie.com). If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The same apply for shareholders voting in advance by proxy. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid.

Further instructions and conditions is included in the form for advance voting.

### **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
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 2021/2024
  - B. Resolution on approval of transfer of warrants of series 2021/2024 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 director/CEO Magnus René 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**

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 1,510,000 in total, including remuneration for committee work (SEK 1,225,000 previous year), and shall be paid to the board of directors and the members of the established committees in the following amounts:

- SEK 185,000 (SEK 175,000) for each of the non-employed directors and SEK 370,000 (SEK 350,000) 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. All remuneration for committee work remains unchanged.

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 the current directors Anders Björkman, Cecilia Driving, Dan Jangblad, Nicklas Paulson, Magnus René and Patrik Tigerschiöld. Furthermore, it is proposed to elect Magnus René as new chair of the board, whereby he commences from the date when the company's new CEO Per Norén commences.

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**

Upon recommendation of the remuneration committee, the board of directors of the Company proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

#### **General**

The guidelines shall apply to remuneration that has been agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to remunerations that has been resolved by the general meeting and any remuneration through shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options shall therefore be resolved by the general meeting.

These guidelines apply to the CEO and other senior executives in the company group and all other remuneration to members of the board except fees to the board of directors.

Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

#### **The guidelines promotion of the Company's business strategy, long-term interest and sustainability**

For more information regarding the Company's business strategy, please see [www.ovzon.com](http://www.ovzon.com).

The guidelines shall contribute to the possibility to create conditions for the Company to retain and recruit competent and committed employees in order to successfully implement the Company's business strategy and meet the Company's long-term interests, including sustainability. The guidelines shall further stimulate an increased interest in the business and earnings development as a whole, and to increase the motivation for the senior executives and increase positive cohesion in the Company. The Guidelines shall also contribute to good ethics and corporate culture.

In order to achieve the Company's business strategy, the total annual remuneration must be market based and competitive in the employment market in which the senior executive is situated and taking into account the individual's qualifications and experience and that exceptional performance must be reflected in the total remuneration.

These incentive programs have been approved by the general meeting and therefore the guidelines do not apply to these incentive programs. Each year, the board of directors evaluates whether a long-term share-related incentive program should be proposed to the annual general meeting.

The board of directors finds it that it is in all shareholders interests that senior executives and other employees and other key personnel have a long-term interest in a positive value development in the Company's share. A long-term ownership commitment is expected to stimulate an increased interest in the business and the development of earnings as a whole, and to increase the motivation for the participants and aims to achieve an increased community interest between the participant and the Company's shareholders and thereby contribute to the Company's business strategy, long-term interests and sustainability. Long-term share-related incentives also helps to attract when recruiting new executives

### **The forms of remuneration etc.**

The remuneration to the senior executives in the Company shall comprise of fixed salary, possible variable cash remuneration and other customary benefits and pension payments. The total remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labor market where the senior executive is based and take into account the individual qualifications and experiences of the senior executive as well as reflecting any notable achievements. The fixed salary shall be revised on a yearly basis.

### **Fixed salary**

The senior executives' fixed salary is to be competitive and based on the individual senior executive's competences, responsibilities and performance.

### **Variable remuneration**

The senior executives may receive variable remuneration in addition to fixed salaries. Variable cash remuneration is conditional upon the fulfillment of defined and measurable goals which should be determined by results. The variable cash remuneration should at most amount to 50 percent of the annual fixed salary for the respective senior executive.

The targets for receiving variable cash remuneration may include share based or financial targets, either on group or section level, operative goals and goals for sustainability and social responsibility, employee engagement or customer satisfaction. These targets are to be established and documented annually. The Company has established financial targets and KPIs in relation strategic and business critical initiatives and projects which ensures alignment with the business plan and business strategy for a continued sustainable business. The variable remuneration shall also be designed with the aim of achieving greater community of interest between the participating senior executive and the Company's shareholders in order to contribute to the Company's long term interest.

Cash based variable remuneration shall be calculated proportionally during the vesting year and requires continued employment and no notice of termination at the year end. Terms for variable cash remuneration should be designed so that the board of directors may limit or omit payment of variable cash remuneration, provided that exceptional economic circumstances are at hand or if it motivated because of any other reasons, if the board of directors finds the payments unreasonable and incompatible with the Company's responsible in relation to its shareholders. The board of directors shall also have the right to pay variable remuneration on individual level in special circumstances for extraordinary achievements or during the year change the criteria for fulfillment of bonus targets if special reasons for it and a deviation is necessary to ensure the Company's long term interests and sustainability or to ensure the Company's economic viability. Such remuneration may not exceed an amount corresponding to 30 percent of the fixed annual salary and not be paid

more than once a year per individual. A resolution for such remuneration shall be made by the board after proposal from the remuneration committee. The Company has no right according to agreements to reclaim variable remuneration paid in cash.

### **Other benefits**

The Company may provide other benefits to senior executives in accordance with local practice. Such other benefits may include company car and company healthcare etc. Such benefits may amount to a maximum of 20 percent of the fixed annual cash salary.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may amount to a maximum of 30 percent of the fixed annual cash salary.

### **Pensions**

Pension benefits for the CEO and other senior executives must reflect customary market terms, compared with that which generally applies to executives in comparable positions in other companies, and should normally be based upon defined contribution pension plans. Retirement occurs at the relevant/applicable retirement age.

Pension benefits, including health insurance, must be defined in contribution schemes with respect to the CEO. Variable cash payments shall not entitle to pension. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, must be defined in contribution schemes unless the employee is covered by defined-benefit pensions under compulsory collective agreement provisions. Variable cash compensation must be pension-based insofar as it is compelled by compulsory collective agreement provisions applicable to the senior executive. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary.

### **Consultancy fees**

Payment of consultancy fees and additional remuneration may be paid to directors after decision by the board of directors, after preparation by the remuneration committee, if a director performs services on behalf of the Company, which do not constitute board work. Such remuneration shall be designed in accordance with these guidelines.

### **Notice of termination and severance pay**

Fixed salary during the notice period and any severance pay shall in total not exceed an amount corresponding to a maximum of a two years' fixed salary. The maximum mutual notice period in any senior executive's contract may be no more than twelve months during which time salary payment will continue. The Company shall not allow any additional contractual severance payments.

### **Deviations from the guidelines**

The board of directors shall be entitled to deviate from the guidelines, for example with respect to recruitments of senior executives on the global labor market to be able to offer competitive terms and conditions, in an individual case if there are special reasons for it and a deviation is necessary to ensure the Company's long term interests and sustainability or to ensure the Company's economic viability. An arrangement deviating from the guidelines can be renewed but each such arrangement shall be limited in time and shall not exceed a period of 24 months and twice the remuneration that the individual would have received had no additional arrangement been made.

### **Preparation, decision processes etc.**

Frågor om lön och annan ersättning till verkställande direktören och andra ledande befattningshavare bereds, inom ramen för av årsstämman beslutade riktlinjer, av ersättningsutskottet och beslutas av styrelsen.

Decisions regarding salary and other remuneration to the managing director and other senior executives are prepared, within the scope of the guidelines resolved upon by the annual general meeting, by the remuneration committee and resolved on by the board of directors.

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to the senior executives, as well as and current remuneration structures and levels in the Company.

The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

The guidelines shall be applied in relation to every commitment on compensation to senior executives and every change in such commitment, which is resolved after the annual general meeting at which the guidelines were adopted. Thus, the guidelines have no impact on already pre-existing contractually binding commitments. Guidelines resolved upon may also be amended by way of a resolution by any other general meeting. Within the scope and on the basis of the guidelines, after preparation by the remuneration committee, the board of directors shall annually decide on the specific revised remuneration terms for the CEO and each senior executive and make such other decisions on compensation to senior executives that may be required. The CEO or other senior executives shall not participate in the remuneration committee's and the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The remuneration committee shall annually prepare a remuneration report regarding the compensation to the senior executives. The remuneration report shall be made available to the share-holders on the Company's website by the remuneration committee no later than three weeks prior to the annual general meeting.

Day to day costs such as travel expenses for the CEO are approved by the chairman of the board. Other day to day costs are approved by the CEO. Payout of fixed base pay is prepared by local payroll departments and are approved before payout by the local HR representative. Payout of short-term variable remuneration to senior executives and the CEO is subject to approval from the remuneration committee. Eligibility for share-related incentive program must be approved by the board of directors based on the proposal approved at the annual general meeting.

Compliance with guidelines is controlled annually through the following activities:

- Collection of documented annual targets for short-term variable pay
- Random samples of salary payout approvals
- Sample reports from payroll systems to identify any out of the ordinary payouts

The results of the controls are summarized and reported to the Remuneration Committee.

In the preparation of the board of directors' proposal for these guidelines for compensation to the CEO and other senior executives, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

### **Information regarding remuneration**

Information regarding remuneration to the senior executives, the Company's incentive programs and previously paid variable remuneration which is not yet due for payment shall be included in the Company's annual accounts, which are held 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 at the time when the authorization is used the first time, 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 Error! Reference source not found.: 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 2021/2024**" respectively) through (A) a resolution on a directed issue of warrants of series 2021/2024 to the Company's wholly owned subsidiary Ovzon Sweden AB, reg. no. 556679-1181, (the "**Subsidiary**"), and (B) a resolution approving the transfer of warrants of series 2021/2024 from the Subsidiary to employees, as below. The Group has employees in Sweden and USA.

The proposal for a resolution to implement Warrant Program 2021/2024 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 2021/2024

The board of directors proposes that the general meeting resolves to issue a maximum of 1,100,000 warrants of series 2021/2024 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 2021/2024.

The warrants shall be issued to the Subsidiary without consideration.

Subscription of warrants shall be made on a separate subscription list on 31 May 2021 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 the market place where the Company's shares are traded during the period from 17 May 2021 up to and including 28 May 2021. The subscription price shall be rounded to the nearest entire öre, whereas 0.5 öre shall be rounded upwards. Upon subscription of shares, the part of the subscription price that exceeds the quotient value of the previous shares shall be allocated to the non-restricted share premium fund.

The warrants may be exercised for subscription of shares during the period from 15 May 2024 up to and including 15 June 2024.

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 2021/2024 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 110,000 (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 2021/2024 to employees

The board of directors proposes that the general meeting resolves to approve that the Subsidiary, within the framework of the Warrant Program 2021/2024, transfers a maximum of 1,100,000 warrants of series 2021/2024 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 May 2021 are employed in the Group as follows

- a) The new CEO of the Company (Per Norén who will join on 1 May 2021 at the latest) (1 person) ("**Category 1**") shall be entitled to acquire 100,000 warrants.
- b) Other persons who are members of the Group management (maximum 8 persons) ("**Category 2**") shall be entitled to acquire 50,000 warrants each.
- c) Other employees (approximately 24 persons) ("**Category 3**") shall be entitled to acquire a maximum of 25,000 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 Öhrlings PricewaterhouseCoopers AB, as 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 11 June 2021 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 30 June 2021. 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 2021, 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 to implement Warrant Program 2021/2024 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 an increased alignment of the employees' interests with the interests of the shareholders of the Company may have a positive impact on the Company's continued development and promote the Company's long-term value creation, to the benefit of the Company and its shareholders.

In case of transfer of warrants to new hires according to above, the period from the day the employee acquires the warrants until the day when he/she can subscribe for shares by exercising the warrants can be less than three years by a few months. The board of directors considers that it, from a recruitment perspective, can be beneficial for the Company and the Group to be able to offer people who are employed shortly after the implementation of Warrant Program 2021/2024 the same

incentives as the other employees, which the board of directors considers can justify a slightly shorter term than three years in those cases.

*Dilution and information regarding previous share related incentive programs etc.*

Per the day of this proposal there are 46,244,688 shares in the Company.

In case all warrants that can be issued and transferred within the framework of Warrant Program 2021/2024 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 1,100,000 (with reservation for eventual recalculations according to the Warrant Terms), which corresponds to a dilution of approximately 2.32 percent.

There are three outstanding share related incentive programs in the Company – one warrant program for employees in Sweden (“**Warrant Program 2018/2021**”), one employee stock option program for employees in USA (“**Employee Stock Option Program 2018/2021**”) and one warrant program for all employees in Sweden and USA (“**Warrant Program 2020/2023**”).

There are 145,000 outstanding warrants under the Warrant Program 2018/2021. After recalculations due to the new issue in January 2019 and June 2020, each such warrant entitles the holder to subscribe for 2.06 new shares in the Company at a subscription price of SEK 58.32 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 and June 2020, each such employee stock option entitles to acquisition of 2.06 shares in the Company at a price of SEK 58.32 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.

There are 700,000 outstanding warrants under the Warrant Program 2020/2023. Each such warrant entitles the holder to subscribe for one new share in the Company at a subscription price of SEK 102.10 during the period from 18 June 2023 up to and including 18 July 2023.

If (i) all warrants that can be issued and transferred under the Warrant Program 2021/2024 are transferred to employees and all warrants are exercised for subscription of shares, (ii) all outstanding warrants under Warrant Program 2018/2021 and Warrant Program 2020/2023 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 2,181,760 in total (with reservation for eventual recalculations according to the warrant terms for each program), which corresponds to a dilution of approximately 4.50 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.

For information, there are an additional 1,500,000 outstanding warrants in the Company. They are held by subordinated lenders and have no connection to incentive programs for employees. After recalculations due to the new issue in in June 2020, each such warrant entitles the holder to subscribe for 1.02 new shares in the Company at a subscription price of SEK 98.16. The warrants run over a maximum of five years and may be exercised for subscription of shares up to and including 3 July 2024. As the warrants are not connected to incentive programs for employees they have not been included in the calculations above.

*Preliminary market value, costs and effects on key figures*

The market value of a warrant of series 2021/2024 has preliminary been calculated to SEK 4.13 based on the assumptions of a market value of the underlying share of SEK 80, a subscription price of SEK 160 per share, a term of 3,1 years, a volatility of 35 percent, a risk-free interest rate of -0.24

percent and no expected dividend yield during the term until the warrants can be exercised. The preliminary valuation has been performed by Öhrlings PricewaterhouseCoopers AB, as independent valuation institution, applying the Black & Scholes valuation model. 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 2021/2024 shall be transferred at market value at the time of the transfer, the Warrants Program 2021/2024 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 2021/2024 will incur costs for the Company in the form of social security contributions, 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 2024. 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 250 on the Company's share at the time of exercise, estimated to amount to a maximum SEK 2,700,000. The board of directors does not propose any measures to hedge costs for social security contributions.

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 2021/2024 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 also the Company's current CEO (Magnus René), who is a member of the board of directors, has participated in the board of directors' preparation of the proposal, as he will leave his CEO assignment before the implementation of Warrant Program 2021/2024 and thus is not 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 46,244,688 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, form for advance voting, 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 2021  
**Ovzon AB (publ)**  
The board of directors