

N.B. This English version of the proposal to the Annual General Meeting is an unofficial translation. In case of any discrepancies in relation to the Swedish version of the proposal, the Swedish version shall prevail.

The board of directors proposal regarding Long-Term Incentive Program 2024 (LTIP 2024)

The board of directors of the company proposes that the annual general meeting resolves to implement a long-term incentive program 2024 ("**LTIP 2024**"). The proposal is divided into four items:

- A. Terms of LTIP 2024.
- B. Hedging measures regarding LTIP 2024 in the form of newly issued class C shares
- C. Hedging of LTIP 2024 via an equity swap agreement with a third party.
- D. Other matters related to LTIP 2024.

A. Terms of LTIP 2024

A.1 Introduction

The board of directors want to implement a long-term incentive program for present and future senior executives and other employees in the company or its subsidiaries, in order to encourage a personal long-term ownership in the company, and in order to increase and strengthen the potential for recruiting, retaining and motivating such senior executives and other employees. Therefore, the board of directors proposes that the annual general meeting approves the implementation of LTIP 2024 for present and future senior executives and other employees in the company or its subsidiaries.

Participants will, after a qualifying period and assuming an investment of their own in Ovzon Shares (defined below), receive allotment of Ovzon Shares without consideration. The number of allotted Ovzon Shares will depend on the number of Ovzon Shares that they have purchased themselves and on the fulfilment of certain performance requirements. Ovzon Shares are ordinary shares in the company ("**Ovzon Shares**"). The term of LTIP 2024 is more than three years.

A.2 Basic features of LTIP 2024

LTIP 2024 will be directed towards present and future senior executives and other employees in the company or its subsidiaries. The participants are based in Sweden and other countries where the Ovzon Group is active. Participation in LTIP 2024 assumes that the participant acquires and locks Ovzon Shares into LTIP 2024 ("**Savings Shares**"). Savings Shares shall be newly acquired Ovzon Shares.

For each acquired Savings Share, the participant shall be entitled to, after a certain vesting period (defined below), provided continued employment during the entire vesting period and dependent on the fulfilment of certain performance requirements during the financial years 2024-2026, receive allotment of Ovzon Shares ("**Performance Shares**").

The performance requirements are linked to the company's Earnings per Shares ("**EPS**") and Total Shareholder Return ("**TSR**"). The participant shall not pay any consideration for the allotted Performance Shares. Performance Shares are Ovzon Shares.

A.3 Participation in LTIP 2024

LTIP 2024 is directed towards not more than 45 present and future senior executives and other employees in the company or its subsidiaries, divided into three categories of participants:

- A. The managing director consisting of a maximum of 1 individual will be entitled to subscribe for a maximum of 24,000 Savings Shares and a maximum of 8 Performance Shares per Savings Share.
- B. The group management team consisting of a maximum of 6 individuals will each be entitled to subscribe for a maximum of 19,000 Savings Shares and a maximum of 6 Performance shares per Savings Share.

- C. Other employees consisting of a maximum of 38 individuals will each be entitled to subscribe for a maximum of 13,000 Savings Shares and a maximum of 2 Performance shares per Savings Share.

To be eligible to participate in LTIP 2024, the participant must invest in Savings Shares for an amount corresponding to between three (3) and five (5) percent of the participant's fixed base salary for the current year, however, not exceeding the number of Savings Shares that the participant can tie up within the scope of LTIP 2024 according to the above.

New senior executives and other employees who are hired by the company or its subsidiaries after the end of the initial application period may be offered to participate in LTIP 2024. The remaining term of LTIP 2024 may be less than three years upon the inclusion of such new senior executives and other employees into LTIP 2024. The reason for the inclusion of new senior executives and other employees after the end of the initial application period is that it is considered to be of great value for the company and its subsidiaries to quickly integrate new senior executives and other employees into a corresponding incentive structure that applies to other senior executives and employees covered by LTIP 2024. However, the inclusion of new senior executives and other employees into LTIP 2024 must not occur later than 31 December 2024.

Any resolution on participation or implementation of LTIP 2024 shall be conditional on that it, in the board of directors' judgement, can be offered with reasonable administrative costs and financial effects.

A.4 Allotment of Performance Shares

Allotment of Performance Shares within LTIP 2024 will be made during a limited period of time following the annual general meeting 2027, however, no later than 31 July 2027. The period up until allotment is referred to as the qualification period (vesting period).

If the participant and/or the company is prevented from carrying out the allotment of Performance Shares due to, for example, insider information, the company has the right to extend the period for allotment so that it runs until a date when such obstacle has ceased and allotment can take place.

In order for the participant to be entitled to receive allotment of Performance Shares, it is assumed that the participant remains an employee of the Ovzon Group during the full qualification period up until allotment and that the participant, during this period, has kept all Savings Shares. Allotment of Performance Shares requires that the EPS and/or TSR performance requirements are fulfilled.

The participant can receive allotment of the number of Performance Shares per Savings Share set out in the table above. Of the maximum number of Performance Shares that can be allotted per Savings Share, fifty (50) percent of the Performance Shares shall be linked to the fulfilment of the performance requirement regarding EPS, and fifty (50) percent of the Performance Shares shall be linked to the fulfilment of the performance requirement regarding TSR. The two performance requirements will be determined by the board of directors with a minimum and a maximum level for each performance requirement. For stock market and competitive reasons, the minimum and maximum levels for each performance requirement are not specified. No allotment of Performance Shares linked to a certain performance requirement will take place below the minimum level for such performance requirement. Full allotment of Performance Shares linked to a certain performance requirement will take place at or above the maximum level of such a performance requirement. The number of Performance Shares that can be allotted increases linearly between the minimum and maximum level for each performance requirement.

A.4.1 Earnings per share (EPS) (weighting 50 percent)

The performance requirement is based on the Ovzon Group's Earnings per Share during the financial year 2026.

A.4.2 Total shareholder return (TSR) (weighting 50 percent)

The performance requirement is the average annual total shareholder return per Ovzon Share based on the volume-weighted average price according to Nasdaq Stockholm's official price list for the Ovzon Share during the first 180 trading days that directly follows the annual general meeting 2024 compared with the volume-weighted average price according to Nasdaq Stockholm's official price list for the Ovzon Share during the 180 trading days immediately preceding the annual general meeting 2027, i.e. a calculation of the increase in percentages in the share price for the Ovzon Share, whereby the closing price has been calculated to take into account any dividends paid during the above-mentioned time period according to the current methodology used when calculating total shareholder return.

A.4.3 Limitation of allotment etc.

Before allotment of Performance Shares, the board of directors shall assess whether the allotment is reasonable in relation to the company's financial results, position and development, as well as other factors. If significant changes take place within the company, or on the market, which, by the assessment of the board of directors, would mean that the terms for allotment/transfer of Performance Shares according to LTIP 2024 is no longer reasonable, the board of directors shall have the right to amend LTIP 2024, including, among others, the right to reduce the number of allotted/transferred Performance Shares, or not to allot/transfer any Performance Shares at all.

A.5 Implementation and administration etc.

The board of directors shall, in accordance with the resolutions by the general meeting set forth herein, be responsible for the detailed design and implementation of LTIP 2024. The board of directors may also decide on the implementation of an alternative cash based incentive for participants in countries where the acquisition of Savings Shares or allotment of Performance Shares is not possible, as well as if otherwise considered appropriate. Such alternative incentive shall to the extent practically possible be designed to correspond to the terms of LTIP 2024. The intention is that the board of directors shall launch LTIP 2024 in May 2024.

In the event that the general meeting does not resolve in accordance with item B with the required majority, the company shall hedge itself against the financial exposure that LTIP 2024 is expected to entail, by entering into a share swap agreement with a third party in accordance with what is stated in item C below.

B. Hedging measures regarding LTIP 2024 in the form of newly issued class C shares

Resolution in accordance with item B is conditional upon that the annual general meeting resolves to amend the articles of association in accordance with [Exhibit 2](#).

B.1 Authorization for the board of directors to resolve on a directed issue of class C shares

The board of directors proposes that the implementation of LTIP 2024 shall be made in a cost-effective and flexible manner, and that the undertakings of the company for delivery of Performance Shares and the company's cash-flow for the payment of social fees primarily shall be hedged by a directed issue of convertible and redeemable class C shares. These shares can be repurchased and converted into Ovzon Shares and transferred in accordance with the following.

The board of directors shall be authorized to resolve on a directed issue of class C shares on the following terms and conditions:

- a) The maximum number of class C shares to be issued is 1,006,000.
- b) With derogation from the shareholders' preferential rights, the new class C shares may only be subscribed for by one external party after arrangement in advance with the board of directors.
- c) The amount to be paid for each new class C share (the subscription price) shall correspond to the share's quota value at the time of subscription.
- d) The authorization may be exercised on one or several occasions until the annual general meeting 2025.
- e) The new class C shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion clause) and Chapter 20, Section 31 of the Swedish Companies Act (redemption clause).
- f) The purpose of the authorization is to hedge the undertakings of the company according to LTIP 2024 and, in terms of liquidity, to hedge payments of social security contributions related to Performance Shares.

B.2 Authorization for the board of directors to repurchase issued class C shares

The board of directors shall be authorized to repurchase class C shares on the following terms and conditions:

- a) Repurchase can only take place by way of an acquisition offer directed to all holders of class C shares in the company.
- b) The maximum number of class C shares to be repurchased shall amount to 1,006,000.
- c) Repurchase shall be made at a cash price per share of minimum 100 and maximum 110 percent of the quota value applicable to the repurchased class C shares at the time of repurchase.
- d) The board of directors shall have the right to resolve on other terms and conditions for the repurchase.
- e) Repurchase may also be made of so-called interim shares regarding such class C shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. Betald Tecknad Aktie, BTA).
- f) The authorization may be exercised on one or several occasions until the annual general meeting 2025.
- g) The purpose of the authorization is to hedge the undertakings of the company according to LTIP 2024 and, in terms of liquidity, to hedge payments of social security contributions related to Performance Shares.

B.3 Approval of transfer of Ovzon Shares

Approval of transfer of Ovzon Shares owned by the company on the following terms and conditions:

- a) A maximum number of 1,006,000 Ovzon Shares may – with derogation from the shareholders' preferential rights - be transferred to participants in LTIP 2024.
- b) It was noted that a proposal regarding an authorization for the board of directors to resolve on transfer of Ovzon Shares on Nasdaq Stockholm will be proposed by the board of directors prior to the annual general meeting 2027 in order to hedge the cash flow related to the company's payments of social security contributions in relation to LTIP 2024.

B.5 Reasons for the deviation from the shareholders' preferential rights etc.

The reason for deviation from the shareholders' preferential rights is to implement the proposed LTIP 2024 as set out herein. In order to minimize costs for LTIP 2024, the subscription price shall equal the class C share's quota value.

Since the board of directors considers that the most cost-effective method of transferring Ovzon Shares under LTIP 2024 is to transfer Ovzon Shares owned by the company, the board of directors proposes

that the transfer is hedged in this way in accordance with this item B. Should the necessary majority not be obtained for the proposal in item B, the board of directors will enter into a share swap agreement, in accordance with item C below.

B.6 Adjustment Authorisation for the board of directors

The board of directors, or a person appointed by the board of directors, shall be authorized to make minor adjustments to the above resolutions that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB, respectively.

C. Hedging of LTIP 2024 via an equity swap agreement with a third party

In the event that the necessary majority is not obtained for item B above, the company will hedge itself against the financial exposure that LTIP 2024 is expected to entail, by the company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer Ovzon Shares in the company regarding LTIP 2024. The relevant number of Ovzon Shares shall correspond to the number of shares proposed under item B above.

D. Other matters in relation to LTIP 2024

D.1 Majority requirements etc.

A valid resolution under item A above requires a majority of more than half of the votes cast at the general meeting.

A valid resolution under item B above requires that shareholders representing not less than nine-tenths (90%) of the votes cast as well as the shares represented at the general meeting approve the resolution.

D.2 Estimated costs, expenses and financial effects of LTIP 2024

The costs for LTIP 2024 which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and distributed over the vesting period. The calculation has been made based on the quoted closing price of shares in the company as of 14 March 2024, i.e. SEK 13.98 per share, and the following assumptions: (i) dividend based on consensus estimates, (ii) an estimated annual turnover of personnel of 10 percent, (iii) an average fulfilment of the performance requirements linked to the company's EPS of approximately 50 percent, (iv) an assumption of an annual share price increase of 10 percent, and (v) a total maximum of 1,006,000 Performance Shares are eligible for allotment. In addition to what is set forth above, the costs for the LTIP 2024 have been based on that the program comprises a maximum of 45 participants and that each participant makes a maximum investment.

In total, the costs for LTIP 2024 according to IFRS 2 are estimated to approximately SEK 3.6 million excluding social security costs. The costs for social security charges are calculated to approximately SEK 1.1 million, based on the above assumptions, and also assuming a social security tax rate of 18.5 percent. The expected annual costs of SEK 1.6 million, including social security charges, correspond to approximately 1.8 percent of the Company's total employee costs for the financial year 2023.

At a fulfilment of the performance conditions of 100 percent, the total cost for LTIP 2024 is estimated according to IFRS 2 to amount to approximately SEK 7.8 million excluding social security costs. The costs for social security charges are estimated to amount to approximately SEK 2.5 million based on an annual share price increase of 32.8 percent and also assuming a social security tax rate of 18.5 percent. The expected annual costs of SEK 3.4 million, including social security charges, correspond to approximately 3.9 percent of the Company's total employee costs for the financial year 2023.

As proposed, LTIP 2024 may comprise a maximum of 1,006,000 shares in the Company, representing a dilution of approximately 1.06 percent of all shares and votes in the company, including 186,214 shares that may be transferred on Nasdaq Stockholm to cover certain costs associated with LTIP 2024.

The expected cost for the hedging arrangement through a directed issue of convertible and redeemable class C shares, and a repurchase and conversion of these shares to ordinary Ovzon-shares is approximately SEK 250,000 including registrations etc. The cost for a share swap arrangement with a third party is significantly higher and based on an interest base with an addition for the company's lending costs, taking into account the structure of the share swap derivative.

The effect on key ratios is only marginal.

D.3 The board of directors' statement

The board of directors wishes to increase the ability of the company and its subsidiaries to retain senior executives and other employees. Moreover, an individual long-term ownership commitment among the participants in LTIP 2024 is expected to stimulate greater interest and motivation in the company's business operations, results and strategy. The board of directors believes that the implementation of LTIP 2024 will benefit the company and its shareholders. LTIP 2024 will provide a competitive and motivation-improving incentive for senior executives and other employees within the Ovzon Group.

LTIP 2024 has been designed to reward the participants for increased shareholder value by allotting Ovzon Shares, based on the fulfilment of result based conditions. Allotments shall also require a private investment by each respective participant through the acquisition of Savings Shares at market price. By linking the employees' remuneration to an improvement in the company's results and value, the long-term value growth of the company is rewarded. Based on these circumstances, the board of directors considers that the implementation of LTIP 2024 will have a positive effect on the company's continued development, and will thus be beneficial to the shareholders and the company.

D.4 Preparation of the item

The basis for LTIP 2024 has been prepared by the board of directors of the company. The work has been supported by external advisors and has been made in consultation with shareholders. The board of directors has thereafter decided to present this proposal for the general meeting. Except for the staff that have prepared the matter upon instruction from the board of directors, no employee that may be a participant of the program has participated in the preparations of the program's terms.

D.5 Other share-related incentive programs

The company's other share-related incentive programs are described on page 80 (note 8) in the company's annual report.
