



## **Notice to attend the annual general meeting in Hexicon AB (publ)**

**The shareholders in Hexicon AB (publ), reg. no. 556795-9894 (the “Company”), are hereby given notice to attend the annual general meeting at 13:00. on Thursday 11 May 2023 at Setterwalls Advokatbyrå’s offices at Sturegatan 10 in Stockholm, Sweden. Registration for the meeting commences at 12:30.**

### **Notice**

Shareholders wishing to participate at the meeting must:

- (i) be entered in the shareholders’ register, kept by Euroclear Sweden AB on the record day which is Wednesday 3 May 2023; and
- (ii) notify the Company of their attendance and any assistant no later than Friday 5 May 2023. Notification can be made via letter to Setterwalls Advokatbyrå AB, Attn: Andreas Wårdh, P.O. Box 1050, SE-101 39 Stockholm, Sweden or by e-mail to [Andreas.wardh@setterwalls.se](mailto:Andreas.wardh@setterwalls.se)

Notification shall include full name, personal identification number or corporate registration number, address and daytime telephone number and, where appropriate, information about representative, proxy and assistants. The number of assistants may not be more than two. In order to facilitate entry to the meeting, notification should, where appropriate, be accompanied by powers of attorney, registration certificates and other documents of authority.

### **Nominee registered shares**

Shareholders who have their shares registered in the name of a nominee must request temporary entry in the transcription of the share register kept by Euroclear Sweden AB (so-called voting rights registration) in order to be entitled to participate and vote for their shares at the meeting. The shareholder must inform the nominee well in advance of Wednesday 3 May 2023, at which time the register entry must have been made. Voting rights registration that has been requested by the shareholder at such time that the registration has been completed by the nominee no later than Friday 5 May 2023, will, however, be taken into account in the preparation of the share register.

### **Proxy voting**

A shareholder represented by proxy shall issue a power of attorney which shall be dated and signed by the shareholder. If issued by a legal entity, the power of attorney shall also be accompanied by registration certificate or, if not applicable, equivalent documents of authority. Power of attorney forms for those shareholders wishing to participate by proxy will be available

on the Company's website [www.hexicongroup.com](http://www.hexicongroup.com). The original version of the power of attorney shall also be presented at the meeting.

### **Processing of personal data**

For information regarding how your personal data is processed in connection with the annual general meeting, please refer to the privacy policy on Euroclear Sweden AB's website, <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

### **Proposed agenda**

1. Opening of the meeting and election of chairman of the general meeting,
2. Preparation and approval of voting list,
3. Approval of the agenda,
4. Election of one or two persons who shall approve the minutes of the meeting,
5. Determination of whether the meeting has been duly convened,
6. Submission of the annual report and the auditor's report as well as of the consolidated financial statements and the auditor's report on the group,
7. Resolution in respect of
  - a) adoption of the profit and loss statement and the balance sheet as well as of the consolidated profit and loss statement and the consolidated balance sheet.
  - b) the members of the board of directors' and the CEO's discharge from liability.
  - c) allocation of the Company's profits or losses according to the adopted balance sheet.
8. Determination of the number of members of the board of directors and, when applicable, the number of auditors and deputy auditors, who shall be elected by the general meeting,
9. Determination of the fees payable to the members of the board of directors and the auditors,
10. Election of members of the board of directors,
11. Election of auditors and deputy auditors,
12. Resolution on an authorisation for the board of directors to resolve upon capital increases,
13. Resolution on implementation of a long-term incentive programme through a directed issue of warrants and approval of transfer of warrants,
14. Closing of the meeting.

## **THE NOMINATION COMMITTEE'S PROPOSED RESOLUTIONS**

The nomination committee has been composed of Rickard Haraldsson (chairman of the nomination committee) (appointed by Index Equity Sweden AB and Gulfstream Group LLC), Sanja Batljan (appointed by Ilija Batljan Invest AB (publ)), Leif Almhorn (appointed by SEB Trygg Liv), and Hans von Uthmann, chairman of the board of directors of Hexicon AB (publ).

The nomination committee have presented the following proposed resolutions in relation to items 1 and 8-11 in the proposed agenda. The nomination committee has not found reason to present any proposal to change the principles for the appointment of and instructions for the nomination committee that were adopted at the annual general meeting on 12 May 2022 and applicable until otherwise decided by the general meeting.

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

The nomination committee proposes that Marcus Nivinger is elected chairman of the meeting.

### *Item 8. Determination of the number of members of the board of directors and, when applicable, the number of auditors and deputy auditors, who shall be elected by the general meeting*

The nomination committee proposes that the board of directors shall consist of six ordinary members without deputy board members. Furthermore, it is proposed that a registered accounting firm shall be elected as auditor.

### *Item 9. Determination of the fees payable to the members of the board of directors, the nomination committee and the auditors*

The nomination committee proposes that the fees payable to the board of directors (plus any security costs) shall amount to a total of SEK 1,102,500 out of which SEK 315,000 shall be paid to the chairman of the board and SEK 157,500 shall be paid to each of the other ordinary members elected by the general meeting.

The nomination committee proposes that the auditor shall be paid in accordance with customary standards for charges.

### *Item 10. Election of members of the board of directors*

The nomination committee proposes re-election of all current board members.

The nomination committee proposes re-election of Hans von Uthmann as chairman of the board.

Information regarding the proposed board members will be held available at Hexicon AB's website, [www.hexicongroup.com](http://www.hexicongroup.com).

### *Item 11. Election of auditors and deputy auditors*

The nomination committee proposes that KPMG AB is re-elected as auditor for the period until the end of the next annual general meeting. KPMG AB has notified that the certified auditor Fredrik Wollmann will remain as auditor in charge.

## **THE BOARD OF DIRECTORS' PROPOSED RESOLUTIONS**

*Item 7 c). Resolution in respect of allocation of the Company's profits or losses according to the adopted balance sheet*

The board proposes that the general meeting allocates the Company's profits or losses in accordance with the board's proposal in the annual report, meaning that no dividend shall be paid for the financial year 2022 and that the results shall be carried forward in new account.

*Item 12. Resolution on an authorisation for the board of directors to resolve upon capital increases*

The board of directors proposes that the general meeting resolves on an authorisation for the board of directors to – for the period up to the next annual general meeting, with or without deviation from the shareholders' preferential rights and at one or more occasions – resolve upon issuance of new shares, warrants and/or convertible debentures. Payment may be made in cash, in kind, through set-off of claims or otherwise be conditional. The Company's share capital may by support of the authorisation be increased by an amount corresponding to not more than twenty (20) per cent of the share capital after such issue(s). Deviation from the shareholders' preferential rights shall be allowed in situations where a directed issue is deemed more appropriate for the Company due to timing, commercial or similar reasons, and in order to enable acquisitions.

The chairman of the board of directors, the CEO or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office.

*Item 13. Resolution on implementation of a long-term incentive programme through a directed issue of warrants and approval of transfer of warrants*

The board of directors in Hexicon AB (publ) proposes that the general meeting resolves on implementation of a long-term incentive programme ("Warrant programme 2023/2027") for certain employees and consultants in the Company and the Company's group by way of (i) a directed issue of warrants and (ii) approval of transfer of warrants as set forth below. The warrants shall entitle to subscription for new shares in the Company.

*Background and reasons*

The proposal to launch an incentive programme by the issuance of warrants has been prepared and presented by the board of directors in order to strengthen the retention of the persons covered and to motivate them to create shareholder value. The board of directors assess that these objectives are in line with all shareholders' interests.

The programme encompasses certain employees and consultants of the group. Board members not employed by the group are not allowed to participate. Those entitled to participate in the incentive program are hereinafter referred to as "**Participants**".

*Terms and conditions for the issue of warrants*

1. The Company shall issue not more than 11,000,000 warrants. Each warrant entitles to subscription of one (1) new share in the Company.
2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by the Company, after which the Company is to transfer the warrants to the Participants in accordance with the resolution adopted by the general meeting and

instructions from the board of directors of the Company. The reason for the deviation from the shareholders' preferential rights is that the warrants are to be used within the proposed incentive programme.

3. Subscription for warrants shall be made on a separate subscription list following the general meeting's issue resolution, but no later than 1 June 2023. The board of directors shall be entitled to prolong the subscription period.
4. The warrants shall be issued without consideration (i.e. free of charge) to the Company.
5. If all issued warrants are subscribed for by the Company, transferred to and exercised by the Participants for subscription of new shares, the Company's share capital will increase with SEK 110,000 (subject to potential recalculations in accordance with standard terms and conditions applicable to the warrants set out in an [Appendix A](#)).
6. The warrants may be exercised for subscription for new shares during the period from and including 11 November 2026 until and including 11 February 2027. Subscription for new shares may however not take place during so-called closed periods according to the EU Market Abuse Regulation, or otherwise in breach of relevant insider rules and regulations (including the Company's internal guidelines in this respect). Warrants that have not been exercised for subscription of new shares by 11 February 2027 shall lapse.
7. Each warrant shall entitle the warrant holder to subscribe for one (1) new share in the Company at a subscription price per share (the "Exercise Price") corresponding to 150 percent of the volume weighted average trading price for the Company's share on Nasdaq First North Premier Growth Market during a period of five (5) trading days immediately prior to the annual general meeting. If no trading price is recorded for a particular trading day within the specified period, such day shall not be taken into account, but the period shall instead be extended forwards in time with the number of succeeding trading days required for the period to comprise five (5) trading days with a recorded trading price. Any amount that exceeds the quotient value shall be transferred to the nonrestricted share premium account. The Exercise Price thus calculated shall be rounded off to the nearest whole SEK 0.01, whereupon SEK 0.005 shall be rounded upwards. The exercise price may never be below the quotient value of the shares.
8. The warrants will be subject to customary recalculation conditions set out in Appendix A.

*Allocation principles to be applied in relation to Participants*

The warrants are to be transferred to the Participants against a premium payable by the Participants corresponding to the theoretical market value of the warrants as of the date of transfer, calculated by an independent valuation agent engaged by the Company by use of the Black & Scholes valuation model.

The board of directors of the Company shall resolve upon allocation to Participants in accordance with the guidelines set forth below. No Participant may be offered a higher number of warrants than the maximum allocation set forth below.

<b>Category</b>	<b>Maximum number of warrants per Participant</b>	<b>Maximum number of warrants within the respective category</b>
Management	500,000	3,000,000
Employees	200,000	5,000,000
Advisors, consultants and new recruits	300,000	3,000,000
<b>Total:</b>	-	<b>11,000,000</b>

A Participant can choose to acquire a lower but not a higher number of warrants than offered to the Participant

*Warrant agreements*

All warrants will be governed by warrant agreements to be entered into between each Participant and the Company in connection with the transfer of warrants from the Company. The warrant agreement will include a so-called vesting structure, certain transfer restrictions and other terms and conditions customary for such agreements. According to the warrant agreements the total number of warrants granted to each Participant shall be vested in three equal parts on an annual basis (i.e. approximately 33% of the total number of warrants will be vested each year) and conditional upon continued assignments/employment with the Group. The warrant agreements shall be entered into with the Participants within six months from the resolution to implement this program and the vesting period until a share may be acquired may not be less than three years.

*Reasons for the deviation from the shareholders' preferential rights*

The reasons for the deviation from the shareholders' preferential rights is that the Company wishes to offer warrants to certain employees and consultants of the group in order to strengthen the retention of the persons covered and to motivate them to contribute to the creation of shareholder value. Warrants granted under the incentive programme to the Participants are intended to align such individual's and shareholder interests by attempting to create a direct relation between compensation and shareholder return. Participation in the incentive programme rewards overall corporate performance, as measured through the price of the shares in the Company. In addition, the incentive programme enables the Participants to develop and maintain a significant ownership position in the Company.

*Dilution, costs, etc.*

Upon full subscription, transfer and exercise of all 11,000,000 issued warrants; a total of 11,000,000 new shares will be issued in the Company (subject to potential recalculations in accordance with standard terms and conditions applicable to the warrants as set forth in Appendix A). This would lead to a dilution corresponding to approx. 2.9 per cent of the total share capital and number of votes in the Company (calculated as the maximum amount of share capital

and number of shares/votes that may be issued, divided by the total share capital and the total number of shares/votes in the Company after all warrants have been exercised). The dilution calculation described above does not consider the shares that may be issued in connection with an exercise of the warrants which have been issued in connection with the previous incentive programmes or as a result of the other resolutions proposed to be adopted by the annual general meeting.

The incentive programme is expected to have a marginal effect on the Company's earnings per share. The market value of the warrants for the subscription period is estimated to SEK 0.37 per warrant (as per 6 April 2023), in accordance with the preliminary valuation made based on a market value of the underlying share corresponding to SEK 0.95 (as per 6 April 2023). The Black & Scholes valuation model has been used for valuing the warrants, assuming a risk free interest of 2.54 per cent and a volatility of 68 per cent.

There are costs associated with the incentive programme in respect of valuation, consultancy services and costs for registration and practical management of the programme. There should not be any security costs or similar payable by the Company. Ongoing administration costs and other costs of the programme are minimal.

#### *Outstanding warrant programs*

The Company has 22,499,996 warrants outstanding under two (2) long-term incentive programmes resolved at the extraordinary general meeting on 30 December 2020 and the annual general meeting on 12 May 2022, with terms summarized in below.

The first incentive programme, resolved on by the extraordinary general meeting on 30 December 2020 comprising of 11,999,996 warrants issued to members of the board of directors, management, employees and new recruits. Each warrant entitles the holder to subscribe for one (1) new share in the Company at an exercise price of SEK 2.80 during the period from 30 June 2023 up to and including 30 December 2023.

The second incentive programme, resolved on by the annual general meeting on 12 May 2022 comprising of 10,500,000 warrants issued for certain employees and new recruits in the Company. Each warrant entitles the holder to subscribe for one (1) new share in the Company at an exercise price of SEK 2.98 during the period from 12 November 2025 up to and including 12 February 2026.

If all outstanding warrants under the above incentive programmes were exercised for the subscription of new shares, the Company's share capital would increase by SEK 224,999.96 through the issuance of 22,499,996 new shares (subject to any recalculations in accordance with the terms of the warrants), each with a quotient value of SEK 0.01 per share. This would represent a dilution equivalent to approximately 5.8 percent of the Company's total share capital and number of shares and votes (calculated on the basis of the share capital (SEK 3,638,026.86) and the number of shares and votes (363,802,686) in the Company as of today's date). The warrants issued within the framework of the programme adopted by the annual general meeting 2022 were subscribed for by the Company in order to be transferred to the participants in the programme. However, no warrants have been transferred to the participants and the Company's intention is to

cancel all 10,500,000 warrants and replace them with the warrants proposed to be resolved on in this item 13.

#### *Approval of transfer of warrants from the Subsidiary to Participants*

A resolution to issue warrants in accordance with this proposal also includes an approval of the transfers of warrants from the Company to the Participants.

#### *Preparation of the proposal*

This proposal has been prepared by the board of directors together with external consultants. The final proposal has been presented by the board of directors.

#### *Majority requirements*

This proposal to adopt the incentive programme and to issue warrants, as well as the approval of the transfers of warrants from the Company to the Participants, is governed by the provisions in Chapter 16 of the Swedish Companies Act, and a valid resolution therefore requires that the proposal is supported by shareholders representing at least nine-tenths (9/10) of the votes cast as well as of all shares represented at the meeting.

#### *Miscellaneous*

The chairman of the board of directors, the CEO or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office.

#### **Particular majority requirements**

A valid resolution under item 12 requires the support of shareholders representing at least two thirds of the votes cast and of the shares represented at the meeting. A valid resolution pursuant to item 13 requires the support of shareholders representing at least nine-tenths (9/10) of both the votes cast and the shares represented at the meeting.

#### **Number of shares and votes in the company**

The total number of shares in the Company at the time of issuance of this notice is 363,802,686. The company does not hold any of its own shares.

#### **Shareholders' right to request information**

Pursuant to Chapter 7 section 32 of the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*) the board of directors and the CEO are under a duty to, if any shareholder so requests and the board of directors believe that it can be done without material damage to the Company, provide information at the meeting regarding circumstances that may affect the assessment of an item on the agenda or of the Company's economic situation. Such duty to provide information also comprises the Company's relation to the other group companies, the consolidated financial statements and such circumstances regarding subsidiaries which are set out in the foregoing sentence.

#### **Documentation**



The financial accounts, auditor's report, complete proposals and other documents to be dealt with at the general meeting will be kept available at the company's office not later than three weeks before the meeting. The documents will be sent free of charge to shareholders who so request and state their postal address. The documents will also be made available not later than the aforementioned date on the Company's website [www.hexicongroup.com](http://www.hexicongroup.com). All the above mentioned documents will also be presented at the general meeting.

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Stockholm, April 2023

HEXICON AB (publ)

*The board of directors*