

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

## **Notice to extraordinary general meeting in Azelio AB (publ)**

The shareholders in Azelio AB (publ), reg.no. 556714-7607, with its registered office in Gothenburg, are hereby summoned to an extraordinary general meeting to be held on 22 June 2020.

Due to the extraordinary situation resulting from the covid-19 pandemic, the extraordinary general meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. No meeting with the possibility to attend in person or to be represented by at proxy will take place.

### ***Preconditions for participation in the extraordinary general meeting***

Shareholders who wish to participate, through advance voting, in the general meeting must:

- firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of 15 June 2020; and
- secondly* notify the company of their participation in the general meeting by casting its advance votes in accordance with the instructions under the heading "Advance voting" below so that the advance voting form is received by the company no later than on 19 June 2020.

### ***Nominee registered shares***

Shareholders whose shares have been registered in the name of a bank or securities institute must temporarily re-register their shares in their own names with Euroclear Sweden AB in order to be entitled to participate in the general meeting. Shareholders wishing such re-registration must inform their nominee of this well before 15 June 2020, when such re-registration must have been completed.

### ***Advance voting***

In view of the recent developments of the spread of the corona virus (covid-19), the company has taken certain precautionary measures in relation to the extraordinary general meeting on 22 June 2020. The shareholders may exercise their voting rights at the general meeting only by voting in advance, so called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on [www.azelio.com](http://www.azelio.com). The advance voting form is considered as the notification of participation at the general meeting.

The completed voting form must be received by the company no later than on 19 June 2020. The completed form shall be sent to Forsbrogatan 4, SE-662 34 Åmål. The completed form may alternatively be submitted electronically and is then to be sent to [info@azelio.com](mailto:info@azelio.com). If the shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed with the form. The shareholder may not

provide special instructions or conditions in the voting form. If so, the vote (in its entirety) is invalid.

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

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

Pursuant to Chapter 7 Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*), the board of directors and the managing director are required to, upon request from shareholders and if the board considers that it may be done without harm for the company, provide information that may affect a matter on the agenda. A request for such information shall be sent by post to Forsbrogatan 4, SE-662 34 Åmål or by e-mail to [info@azelio.com](mailto:info@azelio.com), no later than on 10 June 2020. The information will be made available at the company's head office and on [www.azelio.com](http://www.azelio.com) no later than on 16 June 2020. The information will also be sent, within the same period of time, to any shareholder who so has requested and who has stated its address.

### ***Number of shares and votes***

There are a total of 91,752,900 shares, with one vote per share, in the company as of the date of this notice.

### ***Proposed agenda***

1. Election of a chairman at the meeting;
2. Preparation and approval of the 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 was duly convened;
6. Proposal to resolve on a long-term incentive program in the form of warrants;

### ***Resolution proposals***

#### **Proposal regarding the chairman of the general meeting (item 1)**

The company's nomination committee has proposed that Bo Dankis, or the person proposed by the nomination committee if he has an impediment to attend, is elected chairman of the general meeting.

#### **Proposal regarding preparation and approval of the voting list (item 2)**

The voting list proposed for approval under item 2 is the voting list prepared by the company, based on the shareholders' register for the general meeting and the advance votes received, as verified by the persons elected to approve the minutes.

#### **Proposal regarding election of one or two persons who shall approve the minutes of the meeting (item 3)**

Bertil Villard and Kent Janér or, if one or both of them are prevented, the person or persons instead appointed by the nomination committee, are proposed to be elected to approve the minutes of the meeting together with the chairman. The task of approving the minutes of the meeting also includes verifying the voting list and that the advance votes received are correctly reflected in the minutes of the meeting.

## **Proposal to resolve on a long-term incentive program in the form of warrants (item 6)**

The board of directors proposes that the extraordinary general meeting resolves to issue not more than 2,200,000 warrants within the scope of a long-term incentive program to the CEO and certain members of the executive management in Azelio, in total eight persons.

The incentive program entails that, conditional upon that a pre-emption agreement with the company has been entered into, the CEO is offered to subscribe for not more than 500,000 warrants, the Executive VP and the CFO are each offered to subscribe for not more than 350,000 warrants and the other participants are each offered to subscribe for not more than 200,000 warrants, at market value calculated according to the Black & Scholes valuation formula.

Subscription of the warrants shall be made within four weeks from the date of the resolution to issue warrants. Payment for the subscribed warrants shall be made within four weeks after subscription. The board of directors is entitled to extend the subscription period and time of payment.

Each warrant entitles the holder to subscribe for one new ordinary share in Azelio for an exercise price of SEK 40.

Subscription of shares can be done during two periods, both during two weeks from the day of publication of the interim report for the period 1 January – 31 March 2023 as well as during two weeks from the day of publication of the interim report for the period 1 January – 30 June 2023.

The price per warrant upon transfer to the participants shall be established by the company, or by an independent appraiser or auditor firm retained by the company, and correspond to the market value of the warrant calculated in accordance with the Black & Scholes valuation formula. The complete terms and conditions for the warrants have been resolved by the board of directors and are available to the shareholders in accordance with the below.

The company shall, in connection with the allocation of the warrants to a participant in the program, and with certain exceptions, reserve a pre-emption right regarding the warrants if the participant's employment or engagement within the group ceases or if the participant wishes to transfer its warrants prior to the exercise period.

Furthermore, in order to encourage participation in the incentive program, the company will make a one-time bonus payment to the participants in connection with subscription of the warrants, which after tax corresponds to the participant's full cost for subscribing for the warrants.

### *Effect on important key ratios and dilution*

The company's profits per share is not affected by the warrant issue since the current value of the exercise price is greater than the current market value of the company's share at the time of the issue.

Based on the number of shares in Azelio as of the date of the notice to the extraordinary general meeting, the maximum dilution effect of the warrant program will be approximately 2.3 percent.

*Costs*

The total cost for the incentive program is estimated not to exceed SEK 5,000,000 during the term of the program.

*The rationale for the incentive program*

The reason for the deviation from the shareholders preferential rights is to retain a competent executive management team in the company by offering the members a long-term ownership commitment in the company and thereby the opportunity to participate in and promote a positive value development of the company's shares and to increase the member's sense of association with the company and its other shareholders. The board of directors considers that the implementation of the incentive program as described above is in the favour of the group and the shareholders in the company.

*Preparation of the proposal*

The incentive program has been prepared by the board of directors together with advisors.

**Majority requirements**

Resolution in accordance with item 6 above requires approval of at least nine tenths (9/10) of the shares represented and votes cast at the general meeting.

**Miscellaneous**

The terms and conditions for the warrant program and the board of directors' complete proposal for item 6 will be available at the address of the company and on the company webpage [www.azelio.com](http://www.azelio.com), no later than three weeks prior to the general meeting. Copies of the documents will be sent to the shareholders who so request and who inform the company of their postal address. The shareholders' register for the meeting is made available at Azelio's head office. Proxy forms for shareholders who would like to vote in advance through proxy are available at [www.azelio.com](http://www.azelio.com).

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Gothenburg in May 2020  
**Azelio AB (publ)**  
*The board of directors*