

## **Notice of annual general meeting in Nilar International AB**

The shareholders of Nilar International AB, reg. no. 556600-2977, (the "**Company**") are hereby invited to the annual general meeting on Wednesday 30 June 2021.

### **Information with respect to the coronavirus**

The Company is mindful of the health and well-being of its shareholders and employees. It's important for the Company to take a social responsibility and contribute to reduce the risk of transmission of the coronavirus (Covid-19). Due to the extraordinary situation the annual general meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. Thus, it will not be possible to attend in person or through proxy at the annual general meeting.

Information on the decisions of the annual general meeting will be published as soon as the outcome of the postal voting is finally compiled on 30 June 2021.

### **Right to attend the general meeting**

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

- on the record date, which is Monday 21 June 2021, be registered in the share register maintained by Euroclear Sweden AB; and
- no later than on Tuesday 29 June 2021 notify the Company of their intention to participate in the general meeting by casting their 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 Tuesday 29 June 2021.

### **Nominee shares**

Shareholders, whose shares are registered in the name of a bank or other nominee, must temporarily register their shares in their own name with Euroclear Sweden AB in order to be entitled to participate in the general meeting. Such registration, which normally is processed in a few days, must be completed no later than on Monday 21 June 2021 and should therefore be requested from the nominee well before this date. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than on Wednesday 23 June 2021 will be considered in preparations of the share register.

### **Proxy etc.**

Shareholders represented by proxy shall issue dated and signed power of attorney for the proxy. If the proxy is issued by a legal entity, attested copies of the certificate of registration or equivalent authorization documents, evidencing the authority to issue the proxy, 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. A copy of the proxy in original and, where applicable, the registration certificate, should be submitted to the Company by mail at the address set forth above and at the Company's disposal no later than on 29 June 2021. A proxy form will be available on the Company's website, [www.nilar.com](http://www.nilar.com), and will also be sent to shareholders who so request and inform the Company of their postal address.

### **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 annual general meeting. 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 must be used for advance voting. The form is available at [www.nilar.com](http://www.nilar.com). The advance voting form is valid as a notification to the annual general meeting.

In the advanced voting form, the shareholders may request that resolution in one or more of the matters raised in the proposed agenda be postponed to a so-called continued general meeting, which may not be held solely by advanced voting. Such a continued meeting for a decision in a specific matter shall take place if the meeting decides on it or if the owners of at least one tenth of all shares in the Company so requests.

The completed voting form must be received by the Company no later than on Tuesday 29 June 2021. The completed form shall be sent to the address: Nilar International AB, c/o Baker & McKenzie Advokatbyrå KB, Attn: Ian Gulam, Box 180, 101 23 Stockholm. The completed form may alternatively be submitted electronically and is then to be sent to [ian.gulam@bakermckenzie.com](mailto:ian.gulam@bakermckenzie.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.

### **Draft agenda**

1. Opening of the meeting and election of chairman of the meeting and appointment of the keeper of the minutes.
2. Preparation and approval of the voting list.
3. Approval of the proposed agenda
4. Election of one person to certify the minutes.
5. Determination of whether the general meeting has been duly convened.
6. Submission of the annual report and the auditors' report, group annual report and group audit report.
7. Resolution regarding:
  - a. adoption of the income statement and the balance sheet, the group income statement and the group balance sheet,
  - b. allocation of the Company's profit or loss in accordance with the adopted balance sheet,
  - c. discharge of the directors of the board and the managing director from liability.
8. Determining the number of directors and auditors.
9. Determination the fees for the board of directors and the auditors.
10. Election of board of directors, chairman of the board and auditors.
11. Resolution regarding adoption of principles for the nomination committee.
12. Resolution regarding guidelines for remuneration to senior executives.
13. Resolution for the board to resolve on issuances.
14. Resolution regarding incentive program 2021/2024 for senior executives and employees through issuance and transfer of warrants.
  - a. Resolution regarding issue of warrants.
  - b. Resolution regarding approval of transfer of warrants.
15. Closing of the meeting.

### **Proposed resolutions**

#### **Item 1: Opening of the meeting and election of chairman of the meeting and appointment of the keeper of the minutes**

The nomination committee proposes that Ian Gulam, LL.M., at Baker & McKenzie Advokatbyrå is appointed as chairman of the general meeting and keeper of the minutes or, in his absence, the person appointed by him.

#### **Item 2: Preparation and approval of voting list**

The voting list proposed for approval by the general meeting is the voting list prepared by the Company, based on the Company's share register received by Euroclear Sweden AB and the advance votes received, and as verified by the person elected to approve the minutes.

**Item 3: Approval of the agenda**

The board of directors proposes that the general meeting approves the proposed agenda as set forth above.

**Item 4: Election of one person to certify the minutes**

The board of directors proposes that Carl Isaksson, LL.M., at Baker & McKenzie Advokatbyrå or, in his absence, the person or persons instead appointed by him, to be elected to certify the minutes of the general meeting. The task of certifying the minutes of the general meeting also includes verifying the voting list and that the advance votes received are correctly reflected in the minutes of the general meeting.

**Item 7b: Resolution regarding allocation of the Company's 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: Determining the number of directors and auditors**

The nomination committee proposes that the board shall consist of seven directors without deputies. The nomination committee further proposes that the number of auditors shall be one registered audit firm.

**Item 9: Determination the fees for the board of directors and the auditors**

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

- SEK 100,000 for each director (SEK 100,000) and SEK 250,000 to the chairman (SEK 250,000); and
- SEK 50,000 for members of committees (SEK 50,000), where the chairman of the board shall not receive any additional remuneration for participation in committee work.

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

**Item 10: Election of board of directors, chairman of the board and auditors**

The nomination committee proposes the re-election of Stefan De Geer, Anders Gudmarsson, Ulrika Molander, Helena Nathhorst and Michael Obermayer. It is proposed to elect Marko Allikson and Peter Feledy as new directors. It is proposed to re-elect Michael Obermayer as chairman of the board. Gunilla Fransson has declined re-election.

The nomination committee further proposes the re-election of the registered audit firm Deloitte AB as the Company's auditor for a period up until the end of the next annual general meeting. Deloitte AB has announced that Therese Kjellberg continues as main responsible auditor.

**Further information regarding the new proposed directors**

**Name:** Marko Allikson

**Education and background**

1995-1997 degree of Master of Science in Economics, Tallinn Technical University. 1990-1995 Economics Bachelor degree, specialized in foreign economy and marketing, Tallinn Technical University. 1979-1990 Tallinn 13. Secondary school, graduated with honours (silver medal).

**Current assignments**

Partner in Baltic Energy Asset Management OÜ, Home of Smart Energy OÜ and Baltic Energy Partners OÜ.

**Previous assignments**

Member of the Supervisory Board in Baltic Energy Services OÜ/Scener OÜ. Head of operations for Gunvor International B.V. Member of the Management Board in Eesti Energia.

**Year of birth**

1971

**Nationality**

Estonian

**Direct or related person ownership in the Company:**

50% of ultimate beneficiary owner of Baltic Energy Asset Management OÜ owning 119,820 shares in Nilar International AB.

**Name:** Peter Feledy

**Education and background**

1996-2000 Stockholm School of Economics (SSE), Sweden. 1999 Harvard University, Cambridge, USA.

**Current assignments**

Consultant / Private Investor.

**Previous assignments**

Different roles within AniCura Group and Menigo Foodservice AB. Program manager in ICA AB. Project leader McKinsey & Company. Analyst for Morgan Stanley.

**Year of birth**

1976

**Nationality**

Swedish

**Direct or related person ownership in the Company:**

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Further information regarding the for re-election proposed directors is available at the Company's website [www.nilar.com](http://www.nilar.com) and in the annual report for 2020.

**Item 11: Resolution regarding adoption of principles for the nomination committee**

The nomination committee propose that the following principles for the nomination committee are adopted:

**1. Role of the nomination committee**

- 1.1 The Company shall have a nomination committee with the task of preparing and proposing decisions to the annual, and as applicable extra, shareholders' meetings on electoral and remuneration issues and, where applicable, procedural issues for the appointment of the subsequent nomination committee. The nomination committee is to propose:
  - the chairman of the annual general meeting;
  - candidates for the post of chairman and other directors of the board;
  - fees and other remuneration to each director;
  - fees to members of committees within the board;
  - election and remuneration of the Company auditor; and
  - principles for the nomination committee.

- 1.2 The nomination committee shall in its assessment of the evaluation of the board and in its proposal in particular take into consideration the requirement of diversity and breadth on the board and strive for equal gender distribution.
- 1.3 The nomination committee shall give proposal regarding election of and remuneration to the auditor.
- 1.4 Regardless of how they have been appointed, the members of the nomination committee are to promote the interests of all shareholders of the Company.

## **2. Members of the nomination committee**

- 2.1 The nomination committee shall consist of four members, of whom three shall be nominated by the Company's three largest shareholders by voting power and the fourth shall be the chairman of the board. The chairman of the board shall as soon as reasonably practicable after the end of the third quarter, in an adequate manner, contact the three owner-registered largest shareholders, by voting power, according to the share register maintained by Euroclear Sweden AB at that time and request that they, taken into consideration the circumstances, within reasonable time which cannot exceed 30 days, in writing to the nomination committee nominate that person whom the shareholder wishes to appoint as member of the nomination committee. If any of the three largest shareholders wish not to exercise their right to appoint a member of the nomination committee, the next shareholder in consecutive order shall be entitled to appoint a member of the nomination committee. In the case that several shareholders abstain their right to appoint a member of the nomination committee, the chairman of the board shall not be required to contact more than eight shareholders, unless it is necessary in order to obtain a nomination committee consisting of a minimum of three members.
- 2.2 Unless otherwise agreed between the members, the chairman of the nomination committee shall be nominated by the largest shareholder by voting power. The chairman of the board shall never be the chairman of the nomination committee.
- 2.3 If a member nominated by a shareholder, during the year ceases to be one of the Company's three largest shareholders by voting powers, the member nominated by such shareholder shall resign from the nomination committee. Instead, a new shareholder among the three largest shareholders shall be entitled to independently and in its sole discretion appoint a member of the nomination committee. However, no marginal changes in shareholding and no changes in shareholding which occur later than three months prior to the annual general meeting shall lead to a change in the composition of the nomination committee, unless there are exceptional reasons.
- 2.4 If a member of the nomination committee resigns before the nomination committee has completed its assignment, for reasons other than set out in item **Error! Reference source not found.**, the shareholder who nominated such member shall be entitled to independently and in its sole discretion appoint a replacement member. If the chairman of the board resigns from the board, his/her successor shall replace the chairman of the board also on the nomination committee.

## **3. Announcement of the nomination committee members**

- 3.1 The chairman of the board shall ensure that the names of the members of the nomination committee, together with the names of the shareholders of whom they have been nominated, are published on the Company's website no later than six months before the annual general meeting.

3.2 If a member leaves the nomination committee during the year, or if a new member is appointed, the nomination committee shall ensure that such information, including the corresponding information about the new nomination committee member, is published on the website.

3.3 A change in the composition of the nomination committee shall be published immediately.

#### **4. Proposals to the nomination committee**

4.1 Shareholders shall be entitled to propose board members for consideration by the nomination committee. The nomination committee shall provide the Company with information on how shareholders may submit recommendations to the nomination committee. Such information will be announced on the Company's website.

4.2 The chairman of the board of directors shall, as part of the work of the nomination committee, keep the nomination committee informed about the work of the board of directors, the need for particular qualifications and competences, etc., which may be of importance for the work of the nomination committee.

#### **5. Proposals by the nomination committee**

5.1 When preparing its proposals, the nomination committee shall take into account that the board of directors is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances. The directors shall collectively exhibit diversity and breadth of qualifications, experience and background. The nomination committee shall further strive for equal gender distribution.

5.2 The nomination committee shall provide the Company with its proposals for board members in such time that the Company can present the proposals in the notice of the shareholders' meeting where an election is to take place.

5.3 When the notice of the shareholders' meeting is issued, the nomination committee shall issue a statement on the Company's website explaining its proposals regarding the composition of the board of directors. The nomination committee shall in particular explain its proposal against the background of the requirement to strive for an equal gender distribution. The statement is also to include an account of how the nomination committee has conducted its work. In case a resigning managing director is nominated for the position of chairman of the board of directors, the nomination committee shall specifically explain the reasons for such proposal.

5.4 The nomination committee shall ensure that the following information on candidates nominated for election or re-election to the board of directors is posted on the Company's website at the latest when the notice to the shareholders' meeting is issued:

- year of birth, principal education and work experience;
- any work performed for the Company and other significant professional commitments;
- any holdings of shares and other financial instruments in the Company owned by the candidate or the candidate's related natural or legal persons;
- whether the nomination committee deems the candidate to be independent from the Company and its executive management, as well as of the major shareholders in the Company. If the committee considers a candidate independent regardless of the existence of such circumstances which, according to the criteria of the Swedish Code of Corporate Governance, may give cause to consider the candidate not independent, the nomination committee shall explain its proposal; and
- in the case of re-election, the year that the person was first elected to the board.

#### **6. Account of the work of the nomination committee**

6.1 All members of the nomination committee, where possible, and as a minimum one of the members, shall be present at the annual general meeting.

6.2 The nomination committee shall at the annual general meeting, or other shareholders' meetings where an election is to be held, give an account of how it has conducted its work and explain its proposals against the background of what is provided about the composition of the board in **Error! Reference source not found.** The nomination committee shall in particular explain its proposal against the background of the requirement in **Error! Reference source not found.** to strive for an equal gender distribution.

## **7. Fees and Costs**

7.1 No fee shall be payable by the Company to any member of the nomination committee.

7.2 The Company shall bear all reasonable costs associated with the work of the nomination committee. Where necessary, the nomination committee may engage external consultants to assist in finding candidates with the relevant experience, and the Company shall bear the costs for such consultants. The Company shall also provide the nomination committee with the human resources needed to support the nomination committee's work.

## **8. Confidentiality**

8.1 A member of the nomination committee may not unduly reveal to anyone what he/she has learned during the discharge of his/her assignment as a nomination committee member. The duty of confidentiality applies to oral as well as written information and applies also after the assignment has terminated.

8.2 A nomination committee member shall store all confidential materials that he/she receives by reason of the nomination committee assignment in a manner so that the materials are not accessible to third parties. After the assignment has terminated, a nomination committee member shall hand over to the chairman of the board all confidential materials that the nomination committee member has received in his/her capacity as nomination committee member and still has in his/her possession, including any copies of the materials, to the extent reasonably possible taking into account inter alia technical aspects.

8.3 The chairman of the nomination committee may make public statements about the work of the nomination committee. No other nomination committee member may make statements to the press or otherwise make public statements regarding the Company and the Company group unless the chairman of the board has given permission thereto.

## **Item 12: Resolution regarding guidelines for remuneration to senior executives**

The board of directors of the Company proposes that the annual general meeting resolves on guidelines for remuneration to senior executives in accordance with the below.

### **Who the guidelines include and the applicability of the guidelines**

These guidelines for remuneration to senior executives include directors, the CEO and persons who report directly to the CEO.

The guidelines shall be applied to fixed based salary and variable remuneration agreed upon, and to changes made to such remuneration, after the guidelines have been adopted by the general meeting.

The guidelines do not include remuneration resolved by the general meeting or other remuneration paid to senior executives and which is not explicitly stated in these guidelines.

The board of directors shall have the right to temporarily deviate, in whole or in part, from the guidelines if in an individual case it is considered that a deviation from the guidelines is commercially justified according to the Board's assessment.

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

Remuneration to senior executives consists of a fixed based salary and variable remuneration (short-term incentives). The general meeting may in addition - and independently of these guidelines - resolve on share or share price-related remuneration.

The Company's board of directors must in special cases be able to be remunerated for services within their respective areas of competence, which do not constitute board work. A market fee must be paid for these services, which must be approved by the board of directors and informed at the general meeting.

#### **Fixed based salary**

Fixed based salary for the CEO and other senior executives is reassessed annually.

#### **Variable compensation (short-term incentives)**

The variable remuneration shall consist of two parts. One part is determined by the achievement of certain goals for the Company, while the other part is determined by the achievement of individual goals.

The main part of the variable remuneration is linked to the Company's financial targets, while the individual part constitutes a smaller share of the same.

Goals for the CEO are proposed by the Remuneration Committee and decided by the Board, while goals for other senior executives are proposed by the CEO and decided by the Remuneration Committee.

Goals are decided during the first quarter of each financial year and the fulfillment of goals is measured and payment is made as soon as possible after the annual general meeting has approved the annual report for the year of earnings.

The variable remuneration can amount to a maximum of 30 percent of the fixed basic salary for the CEO and CFO and 20 percent of the fixed basic salary for other senior executives.

The current employment agreement runs during the notice period. If severance pay were to be paid, no variable compensation is paid for the period after the end of the notice period. The variable remuneration must be pensionable.

#### **Long-term incentives**

Senior executives may be offered incentive programs which are mainly to be share or share price related. Share and share price-related incentive programs must be resolved by the general meeting and are therefore not covered by these guidelines.

#### **Item 13: Resolution for the board to resolve on issuances**

The board of directors of the Company proposes that the annual general meeting of the shareholders shall resolve to authorize the board of directors until the next annual general meeting, on one or more occasions, with or without preferential rights for the shareholders, to issue shares, convertibles and/or warrants, with the right to subscribe for and convert into shares in the Company, respectively, corresponding to a maximum of 10 percent of the Company's share capital after dilution based on the number of shares in the Company at the time when the authorization is used for the first time, to be paid in cash, through set-off or in kind. The reason for the authorization and deviation from the shareholders' preferential rights is to enable raising capital for expansion through acquisitions of companies or assets and for the business of the Company as well as to adapt the Company's capital and/or ownership structure. If issuances are carried out with deviation from the shareholders' preferential rights, such issue shall be made in accordance with customary market terms. 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 anyone appointed by the board of directors is given the right to make the adjustments necessary in connection with the registration of the resolution at the Companies Registration Office.

**Item 14: Resolution regarding incentive program 2021/2024 for senior executives and employees through issuance and transfer of warrants**

Upon recommendation of the remuneration committee, the board of directors of the Company proposes that the annual general meeting resolves to implement an incentive program through issuance of warrants to senior executives, employees and other key persons within the Company and the company group and to Nilar AB, reg. no. 556790-0815, (the "**Subsidiary**"), with subsequent transfer to senior executives, employees and other key persons within the Company and the company group ("**Incentive program 2021/2024**") in accordance with the below.

*Background and rationale*

The purpose of the proposal is to establish conditions to maintain and increase the motivation of senior executives, employees and other key persons within the Company and company group. The board of directors finds that it is in all shareholders' interest that senior executives, employees and other key persons, which are considered important to the development of the company group, have a long term interest in developing high value of the Company's share. A long term ownership engagement is expected to stimulate an increased interest for the business and result in a whole as well as to increase the motivation for the participants and to create a common interest for the Company's shareholders and the participant.

Resolutions in accordance with items 14a and 14b below shall be made as one resolution and are therefore conditional on each other.

A description of other incentive programs, the preparation of the proposal, costs for the program and effect on important key figures etc. is presented below.

Item 14a: Resolution regarding issue of warrants

The board of directors of the Company proposes that the annual general meeting resolves to issue a maximum of 370,000 warrants, which may result in a maximum increase in the Company's share capital of SEK 61,666.67. The warrants shall entitle to subscription of new shares in the Company.

The following terms shall apply to the issuance:

The warrants shall be subscribed for by senior executives, employees and key persons in the Company and company group and the Subsidiary, with the right and obligation to, at one or several occasions, transfer the warrants to senior executives, employees and key persons, who are or will become employed by the Company or within the company group, at a price that is not less than the fair market value of the warrant according to the Black & Scholes valuation model and otherwise on the same terms as in the issuance.

The warrants shall be subscribed for as of 1 July 2021 up to and including 2 July 2021 on a separate subscription list, with a right for the board to extend the subscription period.

The subsidiary has the right to subscribe for warrants without consideration and the senior executives, employees and key persons in the Company and company group have the right to subscribe for the warrants at a price equal to the warrant's market value, which shall be calculated according to the Black & Scholes valuation model or other generally accepted valuation model made by an independent appraiser or audit firm.

Senior executives, employees and key persons within the Company and company group will within Incentive program 2021/2024, be offered to subscribe for warrants divided into three different categories as set out below:

- A. The management of the company group comprising of up to two positions, where the managing director may acquire a maximum of 40,000 warrants and the CFO a maximum of 30,000 warrants, in total 70,000 warrants;
- B. Employees of the company group comprising up to five persons are offered to subscribe for a maximum of 30,000 warrants each and in total 150,000 warrants; and
- C. A maximum of 28 other key persons within the company group are offered to subscribe for a maximum of 10,000 warrants each and in total 280,000 warrants.

The Subsidiary has the right to subscribe for the warrants which are not subscribed for by the categories set out above that later may be offered to current and future senior executives, employees and other key persons within the company group in accordance with the proposed allotment principles, in accordance with item 14b. Existing participants are offered to acquire only as many warrants as stated in the above categories.

Payment for subscribed warrants issued for payment shall be made in cash no later than on 1 August 2021, with a right for the board to extend the payment date.

Each warrant entitles to subscription of one (1) new share in the Company during the period from 1 August 2024 up to and including 30 September 2024 or the earlier date set forth in the terms for the warrants.

The subscription price shall be determined to an amount equal to 200 percent of the volume weighted average price at Nasdaq First Growth Market Premier during the period from 15 June 2021 up to and including 29 June 2021. The calculated subscription price shall be rounded to the nearest SEK 0.01, where SEK 0.005 shall be rounded upwards to SEK 0.01. The subscription price may not amount to less than the quota value of the company's shares. 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.

A new share subscribed for by exercise of a warrant has a right to dividends as of the first record day for dividends following registration of the new share issue with the Companies Registration Office and after the share has been registered in the share register maintained by Euroclear Sweden AB.

The purpose of the issuance and the deviation from the shareholders preferential rights is to implement the Incentive program 2021/2024.

In connection with the subscription of the warrants by the participants, the Company shall through an agreement reserve the right to repurchase the warrants, if the participant's employment or assignment in the company group ceases or if the participant, in turn, wishes to transfer the warrants.

The complete terms and conditions for the warrants are available at the Company and will be published on the Company's website no later than three weeks before the annual general meeting, including conditions regarding re-calculation, in certain cases, of the subscription price and the number of shares a warrant entitles to.

The board of directors or a person nominated by it, shall be authorized to make such minor adjustments as may be required in connection with registration of the resolution with the Swedish Companies Registration Office and, if applicable, Euroclear Sweden AB.

#### Item 14b: Resolution regarding approval of transfer of warrants

The board of directors of the Company proposes that the annual general meeting resolves to approve that the Subsidiary may transfer the number of warrants in the Company of series 2021/2024, that are not subscribed for by the categories as set out in item 14a, to future senior executives, employees and other key persons within the Company and company group, or in any other matter dispose of the warrants to fulfill the obligations under Incentive program 2021/2024.

The Subsidiary shall be entitled to retain warrants that later may be offered to current and future senior executives, employees and other key persons within the company group in accordance with the proposed acquisition and allotment principles. Existing participants shall acquire warrants no later than 30 July 2021 and future senior executives, employees and other key personnel within the company group shall acquire warrants no later than 31 December 2021.

Future senior executives, employees and key persons within the Company and company group will within Incentive program 2021/2024, be offered to acquire warrants in accordance with the principles for allotment set out in item 14a.

The board of directors of the Company will not participate in Incentive program 2021/2024.

Notification to acquire warrants shall be made during the period from 2 July 2021 up to and including 31 December 2021. The warrants shall be transferred to the participants no later than 15 January 2022, provided that the transfers in accordance with item 14a do not exceed the maximum number of warrants issued.

Transfer of the warrants shall be made at a price equal to the warrant's market value at the time of transfer, which shall be calculated according to the Black & Scholes valuation model or other generally accepted valuation model. Valuation of the options shall be performed by an independent appraiser or audit firm. In connection with the transfer of the warrants to the participants, the Company or the Subsidiary shall through an agreement reserve the right to repurchase the warrants, if the participant's employment or assignment in the company group ceases or if the participant.

The warrants shall be transferred to senior executives, employees and other key persons no later than 15 January 2022, where any not transferred warrants shall be cancelled.

A general meeting in the Subsidiary shall also approve the subsequent transfers of warrants as set out above.

*Preparations of the board of directors proposal for Incentive program 2021/2024, costs for the program, other outstanding share based incentive programs, dilution etc.*

Incentive program 2021/2024 has been prepared by members of the company group management and external advisors and in accordance with guidelines from the remuneration committee and the board of directors, and in consultation with major shareholders.

#### *Valuation*

Subscription (except by the Subsidiary) and transfer of the warrants shall be made at a price equal to the warrant's fair market value, which means no social fees should arise for the company group in connection with the subscription and transfer of warrants. The warrants fair market value, according to a preliminary valuation based on the market value of the underlying share of SEK 62, SEK 2.10 per warrant, assuming an exercise price of SEK 124 per share. The Black & Scholes valuation model has been used for the valuation, assuming a risk free interest rate of -0.24 percent and a volatility of 30 percent, taking into account that no dividends and other distributions to shareholders are expected during the period of the program.

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

As the warrants are subscribed for and transferred at fair market value, it is the Company's assessment that there will be no social fees for the Company as a result of the subscriptions and transfers. The costs will therefore consist only of minimal costs for the implementation and administration of Incentive program 2021/2024.

#### *Dilution*

The total number of registered shares and votes at the time of this proposal amount to 45,299,427. The maximum dilution of Incentive program 2021/2024 is estimated to be a maximum of approximately 0.81 percent of the total number of shares and votes in the Company (calculated on the number of existing shares the Company), assuming full subscription and exercise of all warrants offered. The maximum dilution of Incentive program 2021/2024 plus the other outstanding incentive programs in the Company is estimated to be a maximum of approximately 1.04 percent, assuming full subscription and exercise of all warrants offered and outstanding.

#### *Other outstanding share based incentive programs*

The Company has previously established three incentive programs, series 2017, 2021:1 and 2021:2. For more information, see the Company's website and the annual report for 2020.

#### **Majority requirements**

A resolution in accordance with item 13 is valid where supported by shareholders representing at least two thirds of the votes cast and the shares represented at the general meeting.

A resolution in accordance with item 14 requires support by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting, due to the fact that the issue and transfer of warrants is made to persons who belong to one or more of the categories according to Ch. 16 of the Swedish Companies Act.

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

The total number of shares and votes in the Company as of the date of the notice amounts to 45,299,427. The Company does not own any shares.

#### **Other**

Copies of accounts, auditor statement and proxy form are available at least three weeks in advance of the annual general meeting. The complete proposals and other documents that shall be available in accordance with the Swedish Companies Act are available at least two weeks in advance of the meeting. All documents are available at the Company and at the Company's website [www.nilar.com](http://www.nilar.com), and will be sent to shareholders who request it and provide their e-mail or postal address.

The board of directors and the managing director shall, if any shareholder so requests and the board of directors considers that it can be done without material harm to the Company, provide information at the general meeting on matters that may affect the assessment of an item on the agenda or the Company's financial information. Such duty to provide information applies also to the Company's relation to other group companies, the consolidated accounts and such circumstances regarding subsidiaries as specified in the foregoing sentence. A request for such information shall be received by the Company in writing no later than ten calendar days prior to the meeting, i.e., 20 June 2021 by post to the Company's address Stockholmsvägen 116 B, 187 30 Täby, Sweden or by e-mail to [magnus.nordgren@nilar.com](mailto:magnus.nordgren@nilar.com). The information will be made available at the Company's website, [www.nilar.com](http://www.nilar.com), and at the head office no later than on 25 June 2021. The information will also be sent, within the same period of time, to any shareholder who so has requested and who has stated its e-mail or postal address.

#### **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](https://www.euroclear.com/dam/ESw/Legal/Privacy-notice_bolagsstammorengelska.pdf).

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Täby in May 2021  
**Nilar International AB**  
The board of directors