



Vikmanshyttan

8 April 2022

Notice of Annual General Meeting in CTEK AB (publ)

CTEK AB (publ), Reg. No. 559217-4659, with its registered office in Hedemora, Sweden, gives notice of the Annual General Meeting to be held on 12 May 2022 at 15:00 CEST at Industrivägen 24 in Vikmanshyttan, Sweden. Registration starts at 14:00 CEST.

Right to participate in the Annual General Meeting and notice of participation

A shareholder who wishes to participate in the Annual General Meeting must (i) be recorded in the share register maintained by Euroclear Sweden AB relating to the circumstances on 4 May 2022, and (ii) no later than 6 May 2022 give notice by post to CTEK AB (publ), "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, via e-mail to GeneralMeetingService@euroclear.com, or by telephone +46 8 461 58 72. Shareholders who are natural persons may also give notice electronically through BankID verification via Euroclear Sweden AB's website, <https://anmalan.vpc.se/euroclearproxy>. When providing such notice, the shareholder shall state name, personal or corporate registration number, address, telephone number and the number of any accompanying assistant(s) (maximum two assistants).

If a shareholder is represented by proxy, a written, dated proxy for the representative must be issued. A proxy form is available on the company's website, www.ctekgroup.com. If the proxy is issued by a legal entity, a certificate of registration or equivalent certificate of authority should be enclosed. To facilitate the registration at the Annual General Meeting, the proxy and the certificate of registration or equivalent certificate of authority should be sent to the company as set out above so that it is received no later than 6 May 2022.

Nominee-registered shares

To be entitled to participate in the Annual General Meeting, a shareholder whose shares are held in the name of a nominee must, in addition to providing notification of participation, register its shares in its own name so that the shareholder is recorded in the share register relating to the circumstances on 4 May 2022. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee's procedures and in such time in advance as the nominee determines. Voting right registrations completed by the nominee not later than 6 May 2022 are taken into account when preparing the register of shareholders.

Proposed agenda

1. Opening of the general meeting;
2. Election of chairman of the general meeting;
3. Preparation and approval of the voting list;
4. Approval of the agenda;



5. Election of one or two persons who shall approve the minutes;
6. Determination of whether the general meeting has been duly convened;
7. Presentation by the CEO;
8. Presentation of the annual report and the auditor's report as well as the consolidated financial statements and the auditor's report on the consolidated financial statements, and the auditor's statement regarding the company's compliance with the guidelines for remuneration to the executive management in effect since they were adopted;
9. Resolution regarding adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet;
10. Resolution regarding allocations of the company's profit or loss in accordance with the adopted balance sheet;
11. Resolution regarding discharge from liability for the board members and the CEO;
12. Resolution regarding
 - a. the number of board members and deputy board members
 - b. the number of auditors and deputy auditors
13. Resolution regarding
 - a. the fees for the board of directors
 - b. the fees for the auditors
14. Election of board members and chairman of the board of directors;
15. Election of auditors and deputy auditors;
16. Presentation of the remuneration report for approval;
17. Resolution regarding principles for appointment of the nomination committee;
18. Resolution regarding adoption of a long-term incentive program;
 - a. proposal for resolution to adopt LTI 2022 and transfer of warrants to participants in the program
 - b. proposal for resolution on the issuance of warrants
19. Resolution on a new issue of shares with payment in kind;
20. Closing of the general meeting.

The nomination committee's proposals for resolutions

The nomination committee, consisting of Anders Mörck (the chairman of the nomination committee) (appointed by Investment AB Latour), Øistein Widding (appointed by Altor Fund III GP Ltd), Patricia Hedelius (appointed by AMF Tjänstepension) and Hans Stråberg (chairman of the board of directors) has submitted the following proposals:

Item 2 – Chairman of the general meeting

Hans Stråberg is proposed to be elected chairman of the general meeting.

Item 12a – The number of board members and deputy board members

The number of board members elected by the general meeting is proposed to be seven without any alternate board members.

Item 12b – The number of auditors and deputy auditors



The number of auditors is proposed to be an authorised audit firm without any alternate auditors.

Item 13a – The fees for the board of directors

The fees to the board of directors is proposed to amount to not more than SEK 2,656,000 for the period until the end of the next Annual General Meeting, to be allocated as follows:

- SEK 2,335,000, of which 775,000 (previously SEK 750,000) to the chairman of the board of directors and SEK 260,000 (previously SEK 250,000) to each of the other board members, and, in addition
- SEK 321,000 as compensation for work in the committees of the board of directors, to be allocated as follows: SEK 103,000 (previously SEK 100,000) to the chairman of the audit committee and SEK 52,000 (previously SEK 50,000) to each of the other members of the audit committee. SEK 52,000 (previously SEK 50,000) to the chairman of the remuneration committee and SEK 31,000 (previously SEK 30,000) to each of the other members of the remuneration committee.

Item 13b – The fees for the auditors

The fees to the auditor is proposed to be paid in accordance with approved invoices.

Item 14 – Board members and chairman of the board of directors

It is proposed that Hans Stråberg, Ola Carlsson, Michael Forsmark, Björn Lenander, Stefan Linder, Jessica Sandström and Pernilla Valfridsson are re-elected as board members for the period until the end of the next Annual General Meeting. It is proposed that Hans Stråberg is re-elected as chairman of the board of directors.

Information about the persons proposed by the nomination committee to be elected as board members is set forth in the company's annual report as well as on the company's website, www.ctekgroup.com.

Item 15 – Auditors and deputy auditors

It is proposed that Ernst & Young AB is re-elected as auditor for the company for the period until the end of the next Annual General Meeting, which is in accordance with the audit committee's recommendation. Should the nomination committee's proposal for auditor be adopted, Ernst & Young AB has informed that authorised public accountant Erik Sandström will be appointed auditor in charge.

Item 17 – Principles for appointment of the nomination committee

The nomination committee proposes that the nomination committee shall consist of representatives from the three largest shareholders listed in the share register maintained by Euroclear Sweden as of 31 August each year and the chairman of the board of directors, who will also convene the first meeting of the nomination committee. The member who represents the largest shareholder shall be appointed chairman of the nomination committee unless the nomination committee unanimously appoints someone else. If one or more of the shareholders who have appointed representatives to the



nomination committee earlier than three months before the Annual General Meeting are no longer among the three largest shareholders, representatives appointed by these shareholders shall resign, and the shareholders who subsequently belong to the three largest shareholders may appoint their representatives.

If a representative resigns from the nomination committee before the nomination committee's work is completed and the nomination committee deems it necessary to replace him or her, such a replacement representative shall represent the same shareholder or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. A shareholder who has appointed a representative to the nomination committee shall have the right to discharge such representative and appoint a new representative of the nomination committee. Changes in the composition of the nomination committee must be announced immediately.

The composition of the nomination committee prior to the Annual General Meeting shall be announced on the company's website no later than six months before the meeting. Remuneration shall not be paid to the representatives in the nomination committee. The company shall reimburse any costs that the nomination committee incurs in its work. The term of office for the nomination committee ends when the composition of the succeeding nomination committee has been announced.

The nomination committee shall submit to the Annual General Meeting:

- proposal for chairman at the general meeting;
- proposal for the number of board members;
- proposal for board members and chairman of the board of directors;
- proposal for fees and other remuneration for board assignments to each of the members of the board of directors and, where applicable, remuneration for work in the committees;
- proposal for auditors;
- proposal for fees to the auditors;
- proposal for principles for appointment of the nomination committee.

The board of directors' proposals for resolutions

Item 10 – Resolution regarding allocations of the company's profit or loss in accordance with the adopted balance sheet

The board of directors proposes that no dividend shall be made for the financial year 2021 and the result for the year shall be carried forward.

Item 18 – Resolution regarding adoption of a long-term incentive program

The board of directors proposes that the Annual General Meeting adopts a resolution to introduce a new long-term incentive program for CTEK AB (publ) employees ("LTI 2022") in accordance with items 18a–18b below. The resolutions under items 18a–18b below are proposed to be conditional upon each other and for that reason it is proposed that all resolutions are to be passed as one resolution. LTI 2022 is proposed to encompass a maximum of 8 people within the management team of CTEK AB (publ).



Item 18a – Proposal for resolution to adopt LTI 2022 and transfer of warrants to participants in the program

Adoption of LTI 2022 entails that warrants of series 2022/2025 are to be transferred to employees. The warrants have a vesting period of at least three years, where after the participant has the right to exercise the warrants for subscription of shares during a two-month period.

Therefore, the board of directors proposes that the Annual General Meeting decides upon transferring a maximum of 100,000 warrants of series 2022/2025. The right to subscribe for the warrants shall, with deviation from the shareholders preferential rights, only vest in a subsidiary to the company, which shall transfer the warrants to employees in CTEK AB (publ). Each warrant entitles the holder of the warrant to subscribe for one (1) share in the company. The warrants shall be issued to the subsidiary free of charge.

The warrants will be transferred to the participants at market value (i.e., the warrant premium). The warrants may be transferred to participants, current or new employees, on one or more occasions as from 30 May 2022 to and including 30 June 2022.

Each warrant entitles the holder of the warrant to, during the time period 30 June 2025 to and including 30 August 2025 subscribe for one (1) new share in CTEK AB (publ) at a subscription price of 120 percent of the volume-weighted average price paid for CTEK's shares on Nasdaq Stockholm 10 business days starting from the day after the Annual General Meeting 2022.

The issued warrants shall, with deviation from the shareholders' pre-emptive rights, be subscribed for by the subsidiary, where after the subsidiary is to offer the warrants to the participants. Transfer of the warrants shall be offered to the participants at a subscription price corresponding to an estimated market value according to the Black Scholes model however, not below the current quota value of the share. The valuation of the warrants shall be performed by an independent valuation institute or accounting firm. When the warrants are transferred to the participants, the company shall reserve the right to buy back the warrants if the participant's employment or assignment in the company comes to an end, or if the participant wishes to transfer their warrants.

Transfer of warrants, in accordance with above proposal, is only to be made to the extent that the total number of warrants does not exceed 100,000 warrants.

A prerequisite for being entitled to acquire warrants is (i) that the participant at the time of the acquisition has neither given notice or received notice of termination of his/her employment (ii) that acquisition of warrants can take place in accordance with applicable laws and, according to the board of directors' assessment, can be executed with reasonable administrative costs and financial efforts, and (iii) that the participant has entered into a pre-emption agreement with the company, according to which the company, or the one the company assigns, inter alia has the right to repurchase the warrants from the participant if the participant's employment ceases and in some other situations, in some cases to an amount equal to the lower of the participant's acquisition



price and the market value, in other cases to market value. The board of directors has the right to make the reasonable changes and adjustments to the terms and conditions of the agreement that are deemed suitable or appropriate as a result of local employment law or tax law or administrative conditions.

In addition hereto, the terms and conditions that the board of directors has resolved upon and that are available for the shareholders in accordance with what is set out in section "*Documentation etc.*". According to the warrant terms and conditions the subscription price and the number of shares which each warrant confers right to subscribe for may be recalculated in the event of a bonus issue, reverse share split or share split, new issue, issue of warrants or convertibles and under some other circumstances. Further, the period for exercising the warrants may change to an earlier or later period/date under some circumstances.

Certain deviations in or adjustments of the terms and conditions for the LTI 2022 may be made based on local rules and regulations as well as applicable market practice or market conditions, including cash settlement instead of allocation of shares to the participants under certain conditions.

The board of directors, or anyone appointed by the board of directors, shall be authorized to make such minor formal adjustments in the issue resolution that may be required for registration with the Swedish Companies Registration Office (Sw. *Bolagsverket*) or Euroclear Sweden AB.

Allocation

Employees who have taken part in a pre-emption agreement with CTEK AB (publ) has the right to acquire warrants:

Category	Maximum number of warrants per person/category
1. CEO (1 person)	24,000 / 24,000
2. Executive management (7 persons)	10,857 / 76,000

Costs

Employees' acquisition of the warrants shall be at a price corresponding to the option right's market value at the time of transfer, hence there will be no social costs for the company in relation to the issuance and transferring of warrants. The warrant premium shall be calculated according to accepted market valuation models (Black & Scholes) at time of issue. The term of the options shall be a maximum of three (3) years and three (3) months from its issue, and the exercise period shall be 30th June 2025 up to and including 30th August 2025. The exercise price shall be calculated based as 120 percent of the volume-weighted average price paid for CTEK's shares on Nasdaq Stockholm 10 business days starting from the day after the Annual General Meeting 2022. The warrant premium shall be determined by an independent valuation institute.



Effects on key figures

CTEK AB (publ) does not have any other costs for LTI 2022 besides costs regarding external advisors etc. in connection to the preparation of the proposal documents and resolution of issuance of warrants.

Dilution of outstanding shares and votes

Based on the current number of shares and votes respectively in the company, LTI 2022 will entail, given subscription of all 100,000 warrants, a dilution of approximately 0.20 percent of the total amount of outstanding shares and votes in the company. Considering all outstanding warrants in previous incentive programs, the total dilution may amount to a maximum of 0.99 percent.

Background and motives

The purpose of the proposal is to facilitate conditions for greater retention and increased motivation of strategically important senior executives in the company. The board of directors considers that the implementation of an incentive program in accordance with above is of benefit to the company's shareholders and intends to propose similar programs to the Annual General Meetings to be held in 2023 and 2024.

Preparation of the proposal

LTI 2022 has according to guidelines from the board of directors been developed by external advisors as well as the remuneration committee during the spring of 2022 and during a board meeting on 7 April 2022.

Other incentive programs

For a description of CTEK AB (publ)'s other share-related incentive programs, please see CTEK AB (publ)'s annual report for 2021 or the board of directors' remuneration report for 2021.

Item 18b – Proposal for resolution on the issuance of warrants

The board of directors proposes that the company shall issue no more than 100,000 warrants of series 2022/2025 for subscription of new shares. Upon full subscription of the warrants, the company's share capital may increase by no more than SEK 100,000, corresponding to approximately 0.20 percent of the total amount of shares and the total number of votes in CTEK AB (publ).

Only the subsidiary is entitled to subscribe for warrants, and it is entitled and obliged to command over the warrants in accordance with above. Each warrant entitles to subscription of one share. The warrants shall be issued free of charge to the subsidiary. Over-subscription is not possible.

Item 19 – Resolution to issue new shares with payment in kind

The board of directors proposes that the Annual General Meeting resolves on an issue in kind whereby CTEK AB (publ) issues new shares in exchange for shares in CTEK Holding AB, a subsidiary of CTEK AB (publ). The shares subject of the exchange in CTEK Holding AB have been subscribed for by the exercise of warrants in accordance with the company's announcement in a press release on 22 December 2021.



Through the issue, the company's share capital will be increased with not more than SEK 690,118 by an issue of not more than 690,118 shares in CTEK AB (publ), corresponding to a dilution of 1.4 percent based on the number of shares in CTEK AB (publ) as of today's date. The following terms and conditions shall apply.

1. The right to subscribe for the new shares in CTEK AB (publ) shall only vest in shareholders of CTEK Holding AB, Reg. No. 556853-7558, with a right and obligation to pay for the new shares by transfer of not more than 6,901,180 shares in CTEK Holding AB.
2. Payment for the subscribed shares shall be made by way of contributing shares in CTEK Holding AB to CTEK AB (publ). Upon full subscription, shares expected to be included in the balance sheet at a total value of SEK 89,007,182 will be contributed. Due to applicable accounting regulation, the final value may change. The amount that exceeds the quota value of the shares shall be allocated to the free share premium reserve.
3. Subscription for the newly-issued shares shall be made by way of payment, by contributing shares in CTEK Holding AB to CTEK AB (publ), not later than 12 May 2022.
4. The board of directors shall be entitled to extend the subscription period and the time for payment.
5. The new shares shall entitle to dividends from the first record day following that the new shares are registered in the company's share register at Euroclear Sweden AB.
6. The chairman of the board of directors is authorised to carry out such minor adjustments to this resolution that may be necessary in connection with the registration of the new issue.

Special majority requirements

A resolution in accordance with the board of directors' proposal in item 18 and item 19 above shall only be valid where supported by not less than nine tenths of both votes cast and the shares represented at the Annual General Meeting.

Shareholders' right to obtain information

Shareholders are reminded of their right to, at the Annual General Meeting, obtain information from the board of directors and CEO in accordance with Chapter 7, Section 32 of the Swedish Companies Act. Shareholders who wish to submit questions in advance may do so by sending post to CTEK AB (publ), "AGM", c/o Euroclear Sweden AB, Box



191, SE-101 23 Stockholm, Sweden or via e-mail to
GeneralMeetingService@euroclear.com.

Number of shares and votes

There are 49,292,936 shares outstanding in CTEK AB (publ), corresponding to 49,292,936 votes. As of the date of this notice, the company holds no treasury shares.

Documentation etc.

The annual report, the board of directors' remuneration report, documents referred to in Chapter 13, Section 7-8 of the Swedish Companies Act, the complete proposals from the board of directors and all other documentation for resolutions are available at the company's office at Rostugnsvägen 3, SE-776 70 Vikmanshyttan, Sweden, and at the company's website, www.ctekgroup.com, no later than three weeks before the Annual General Meeting. Moreover, the nomination committee's motivated statement is available at the company's above address, as well as at www.ctekgroup.com, from the date of this notice. Copies of the documents will be sent to shareholders who so request and who inform the company of their postal address.

Processing of personal data

For information on how your personal data is processed, see the integrity policy that is available at Euroclear's website <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

This notice is a translation of a Swedish notice and in case of any deviations between the language versions, the Swedish version shall prevail.

Vikmanshyttan, April 2022

CTEK AB (publ)

The board of directors