



ANNUAL GENERAL MEETING IN CONCENTRIC

The Concentric AB board of directors has resolved to convene an annual general meeting of shareholders to be held Tuesday, April 18, 2023. Further details on the proposals can be found in the notice convening the meeting, below.

The notice is expected to be published in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the company's website within the next few days.

ANNUAL GENERAL MEETING IN CONCENTRIC AB

The annual general meeting of Concentric AB will be held at 13.00 CET on Tuesday, April 18, 2023 at Klara strand, S:ta Clara, Klarabergsviadukten 90, in Stockholm. Registration begins at 12.30 CET.

The board has resolved, pursuant to Chapter 7, Section 4a of the Swedish Companies Act and the company's articles of association, that shareholders shall have the right to exercise their voting rights by postal voting prior to the general meeting. Consequently, shareholders may choose to exercise their voting rights at the general meeting by attending in person, through a proxy or by postal voting.

RIGHT TO ATTEND AND NOTIFICATION TO THE COMPANY

Shareholders wishing to attend the general meeting must:

- i. be recorded as shareholders in the share register maintained by Euroclear Sweden AB, as of Thursday, April 6, 2023; and
- ii. notify the company of their intention to participate in the general meeting no later than on Wednesday, April 12, 2023.

Notice may be submitted in writing to the company at the address Concentric AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden or by phone to +46 8 402 91 33 business days between 9.00 CET and 16.00 CET, on the company's website, www.concentricab.com or by e-mail to GeneralMeetingService@euroclear.com. On giving notice of attendance, the shareholder should state the shareholder's name (company name), personal identity number (corporate identity number), address, telephone number and number of shares. The registration procedure described above also applies to registration for any advisors. A shareholder that exercises its voting rights through a postal voting form does not have to send in a separate notice of participation, see below under postal voting.

NOMINEE REGISTERED SHARES

In order to participate in the general meeting, those whose shares are registered in the name of a nominee must request their bank or broker to have their shares owner-registered with Euroclear Sweden AB as of Wednesday, April 12, 2023 and the bank or broker should therefore be notified in due time before said date. This registration may be made temporarily.

POSTAL VOTING

The shareholders may exercise their voting rights at the general meeting by postal voting. A special form shall be used for postal voting. The form is available on the company's website www.concentricab.com. The voting form can also be obtained from the company or by contacting Euroclear Sweden AB at the contact information above. For the items on the agenda where the board or the nomination committee have submitted proposals, it is possible to vote Yes or No, which is clearly stated in the postal voting form. A shareholder can also abstain from voting on any item.

The completed voting form must be received by the company no later than on Wednesday, April 12, 2023. The postal voting form is valid as a notification to the general meeting. Shareholders can, through verification with BankID, cast their postal vote electronically via Euroclear Sweden AB's website <http://anmalan.vpc.se/euroclearproxy?sprak=1>. Such electronic votes must be submitted no later than Wednesday, April 12, 2023.

The completed form, including any appendices, must be sent by e-mail to GeneralMeetingService@euroclear.com or alternatively by post in original to Concentric AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden. If the shareholder is a legal entity, a registration certificate or an equivalent authority document, shall be enclosed to the form.

The same applies if the shareholder votes in advance by proxy.

The shareholder may not provide special instructions or conditions in the voting form. If so, the postal vote is invalid in its entirety. Further instructions and conditions are included in the postal voting form.

PROXY AND PROXY FORM

Anyone who does not attend the general meeting in person may exercise their right at the general meeting via a proxy in possession of a signed and dated form of proxy. The same applies if a shareholder exercises its voting rights by postal voting. Forms of proxy are available on the company's website www.concentricab.com. The form of proxy may also be obtained from the company or by contacting Euroclear Sweden AB at contact information above. If the proxy is issued by a legal person, a copy of their registration certificate or equivalent authority document must be attached. The proxy must have been issued within the past year unless a longer period of validity is specified on the form of proxy, subject to a maximum of five years. To facilitate entry to the general meeting, forms of proxy, registration certificates and other documentary authority must be received by the company well in advance before the general meeting.

PROPOSED AGENDA

1. Opening of the general meeting
2. Election of chair of the general meeting
3. Drawing up and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Determination of whether the general meeting was duly convened
7. Presentation of the annual report and the auditor's report and the consolidated financial statements and the consolidated auditor's report
8. Resolutions on:
 - a. adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
 - b. appropriation of the company's result according to the adopted balance sheet and on record date for dividend; and
 - c. discharge of personal liability for the board members and the CEO for the financial year 2022
9. Resolution on the number of board members
10. Resolution on fees to the board members and the auditor
11. Election of the board members and chair of the board
12. Election of auditor
13. Resolution on approval of guidelines for salaries and other remuneration
14. Resolution on approval of remuneration report
15. Resolution on performance based incentive programme (LTI 2023)
16. Resolution on a directed issue of warrants and approval of transfer of warrants
17. Resolution on:
 - a. authorisation for the board to resolve on acquisition of own shares;
 - b. authorisation for the board to resolve on transfer of own shares; and
 - c. transfer of own shares to participants in LTI 2023
18. Closing of the general meeting

PROPOSED RESOLUTIONS

Election of chair of the general meeting (item 2)

The nomination committee proposes that Anders Nielsen, or if he is prevented from attending, the person the nomination committee proposes in his place, be elected chair of the general meeting.

Resolution on appropriation of the company's result according to the adopted balance sheet and on record date for dividend (item 8.b)

The general meeting has at its disposal profits carried forward of SEK 2,109,842,000, which is increased with the net profit for the year of SEK 84,193,000. Thus, the general meeting has in total a non-restricted equity of SEK 2,194,035,000 at its disposal.

The board proposes a dividend for the financial year 2022 of SEK 4.00 per share, totaling SEK 151,918,000 (shares held by the company and shares held by the Employee Share Ownership Trust are excluded from dividend) and that the balance of SEK 2,042,117,000 is carried forward.

As record date for the dividend the board proposes Thursday, April 20, 2023. Subject to the resolution by the general meeting in accordance with this proposal, the cash dividend is expected to be distributed by Euroclear Sweden AB on Tuesday, April 25, 2023.

Resolution on the number of board members (item 9)

The nomination committee proposes that the board shall be composed of seven board members elected at the general meeting, with no alternates, for the period until the next annual general meeting.

Resolution on fees to the board members and the auditor (item 10)

The nomination committee proposes that fees to the board members for the period up to and including the annual general meeting 2024 are paid in accordance with the resolution of the 2022 annual general meeting, i.e. that the fees to the board members are proposed to remain unchanged. Thus, a fixed fee of a total of SEK 3,650,000 is proposed, of which the chair of the board will receive SEK 900,000 and other board members will receive SEK 375,000. In addition, the chair of the compensation committee will receive SEK 125,000 and member of the compensation committee will receive SEK 50,000. Further, the nomination committee proposes that the chair of the audit committee will receive SEK 175,000 and member of said committee will receive SEK 75,000.

The nomination committee proposes that fees to the auditor for services performed are to be paid against, by the company, approved account.

Election of the board members and chair of the board (item 11)

The nomination committee proposes re-election of the board members Karin Gunnarsson, Anders Nielsen, Susanna Schneeberger, Martin Sköld, Claes Magnus Åkesson, Petra Sundström and Joachim Rosenberg until the next annual general meeting. It is proposed that Anders Nielsen be re-elected chair of the board until the next annual general meeting.

Information about the proposed board members can be found on the company's website www.concentricab.com.

Election of auditor (item 12)

The nomination committee proposes that the company shall have one auditor with no alternate. The nomination committee proposes, according to the audit committee's recommendation, re-election of the registered accounting firm KPMG AB as the company's auditor until the end of the annual general meeting 2024. KPMG AB has notified the company that Joakim Thilstedt, authorised public accountant, will continue to be the auditor-in-charge of the company.

Resolution on approval of guidelines for salaries and other remuneration (item 13)

The board proposes that the general meeting adopts the following guidelines for the establishment of salaries and other compensation to directors, the chief executive officer ("CEO") and other senior executives. The group of senior executives encompassed by these guidelines comprises the CEO and other members of the group executive management who report directly to the CEO and have strategic accountability for business unit operations and governance matters directed by the board. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to any director fees decided or approved by the general meeting or such issues and transfers as are covered by Chapter 16 in the Swedish Companies Act.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

In short, the company's business strategy is the following.

Concentric is one of the world's leading pump manufacturers. The company seeks to deliver sustainable growth for every application in the markets it serves. The company aims to improve fuel economy, reduce emissions and improve engine control through our technical solutions and precision engineering.

The company creates value for its customers through:

- Developing world class technology with innovative solutions that meet the demands of our customers and end markets;
- Selling locally to the company's global customers by capitalising on our global infrastructure and teams; and
- Embedding business excellence in all that the company does.

The company's people is the most valuable asset and the Company aims to leverage and nurture the unique skills of the teams across the globe through a strong and inclusive corporate culture.

The company aims to deliver strong and sustainable shareholder returns and target growth both organically and through acquisitions which deliver complementary technologies.

For more information regarding the company's business strategy, please see www.concentricinvestors.com.

It is of fundamental importance to the company and its shareholders that these guidelines, in both a short and long term perspective, enable the company to attract and retain senior executives and other employees with excellent competence. The purpose of these guidelines is to increase transparency in remuneration issues and through relevant remuneration structures create incentives for senior executives, to execute strategic plans and deliver effective operational results to support the company's business strategy and long-term interests, including its sustainability. To obtain this it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and compensation levels. These guidelines enable the company, regardless of geographical market, to offer the senior executives a competitive total compensation.

Remuneration and remuneration forms

The terms of employment for senior executives should consist of a balanced combination of fixed remuneration, annual bonus, pension and other benefits and terms for dismissal/severance payment. Furthermore, the board may prepare and the general meeting resolve on, share and share-price related incentive programmes. Such a combination of compensation fosters and supports well-functioning management and achievement of objectives in both a short and long-term perspective.

The remuneration should be based on performance and be competitive.

The various types of remuneration that may be paid out are described below. As a share of the total compensation the following guidance shall apply:

Fixed remuneration	50%
Annual bonus	25%
LTI	25%

The total compensation of the senior executives is evaluated against relevant (geographical and industry) market data to maintain fair and balanced terms which are at the same time competitive within the market.

Fixed remuneration

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position.

Annual bonus

Senior executives have an annual bonus that is payable after each year end. The annual bonus is structured as a variable part of the total compensation. Bonus objectives shall primarily be based on the outcomes of financial objectives for the entire company as well as clearly defined individual objectives with respect to specific assignments. The latter is to ensure that the senior executive also focuses on non-financial objectives of specific interest. The financial and non-financial objectives shall be designed so as to contribute to the company's business strategy, long-term interests, including its sustainability.

The financial objectives for the company shall be established by the board annually in order to ensure that they are in line with the company's business strategy and profit targets. On behalf of the board, the compensation committee establishes the financial objectives for individual units proposed by the CEO. The compensation committee shall make its annual evaluation based on the latest financial information made public by the company.

The individual objectives for senior executives are set up to a maximum of 4 which account for between 15 and 30 per cent of the total annual bonus award. Individual objectives will focus on strategic targets related to people, revenue growth in all economies and accelerating technology.

The individual objectives for the CEO are directly aligned to strategic growth and development of the business and are agreed by the compensation committee. In turn, the individual objectives for the senior executives have the same focus and alignment to ensure flow-down through each business and function. The individual objectives are proposed by the senior executives in agreement with the CEO, with final approval from the compensation committee. At the end of the bonus period, each senior executive will provide an evidence-based assessment of their performance against individual objectives for agreement and approval by the CEO. The CEO's assessment of performance will be agreed and approved by the compensation committee.

The part of the total compensation consisting of the annual bonus varies depending on position and may be up to a maximum of 50 per cent of the fixed remuneration at full objectives achievement. The bonus objectives are constructed so that no bonus will be paid if a certain minimum performance level is not achieved. All bonus schemes within the organisation are discretionary and payable only after approval by the compensation committee unless payment is guaranteed by an existing legal agreement or contract.

The board of directors, under exceptional circumstances, may limit or cancel payments of variable remuneration provided that such actions are deemed reasonable (malus). The board of directors shall also have the possibility, under local law or contractual provisions and subject to the restrictions thereof, to in whole or in part reclaim variable remuneration paid on incorrect grounds (clawback).

Remuneration payable to directors

In certain cases directors elected by the general meeting should be able to receive fees and other remuneration for work carried out on the company's behalf, alongside their board work. Fees at market rates, to be approved by the Board, may be payable for such services.

Pension

When entering into new pension agreements with senior executives who are entitled to pension, the pension shall be based on defined contribution plans. Senior executives retire in accordance with local regulations on pension.

As a main principle, pension contributions are based solely on fixed remuneration and the pension scheme(s) in operation will be appropriate to comply with governing local legislation. Senior executives in the UK are invited to participate in a defined contribution plan which sets 12 per cent employer contribution rate. Senior executives in the USA participate in a 401(k) pension scheme. The company ensures adherence to the scheme rules of each plan.

For employments governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Other benefits

Other benefits, such as company car, compensation for healthcare and health and medical insurance shall form a minor part of the total compensation and shall correspond to what may be deemed market practice on each relevant market.

For employments governed by other law than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Special remuneration

Further variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and do not exceed 36 months, and may only be made on an individual basis, either for the purpose of recruiting or retaining executives, or to induce individuals to move to new places of service or accept new positions or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Further, the total compensation must not exceed an amount equivalent to two times the remuneration the individual would have received in the absence of an agreement on special remunerations. Any resolution on such remuneration shall be made by the Board based on a proposal from the compensation committee.

Long-Term Incentive Programme

In order to foster a long-term perspective in the decision-making and to ensure long-term achievement of objectives, the board may propose the general meeting to resolve on long-term incentive programmes.

The board uses long-term incentives in order to ensure that senior executives within the company have a long-term interest in a stable value increase of the Concentric share, which support the company's business strategy, including its sustainability. By implementing an incentive programme that is connected to the company's profits and at the same time its increase in value, the long-term growth of the company is rewarded and fostered. Further, long-term incentive programmes also aim to make the company a more attractive employer, which contributes to the company's ability to retain key employees within the group as well as to recruit new key employees.

As all such long-term incentive programmes are proposed by the board and voted at a general meeting in the company, these remuneration guidelines do not apply to such long-term incentive programmes.

For more information about the company's long-term incentive programmes, including the criteria that outcomes are based on, refer to www.concentricinvestors.com. Target fulfilment is reported in the company's annual reports and is also available at the company's website.

The board nominates participants for long-term incentive programmes and the board will evaluate whether or not long-term incentive programmes will be proposed at future general meetings.

Terms for dismissal etc.

Terms for dismissal and severance pay shall correspond to what may be deemed market practice on each relevant market. The CEO has a notice period of 12 months. Other senior executives have a notice period up to 6 months. In addition hereto, agreement may be made with senior executives on severance pay upon termination of employment by the company, corresponding to a maximum of 12 months' fixed remuneration.

Remuneration and employment conditions for other employees

In the preparation of the boards' proposal for these guidelines, remuneration and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the compensation committee's and the board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed annually in the company's remuneration report.

The decision-making process to determine, review and implement the guidelines

The board and its compensation committee resolve on the structures of remuneration systems, as well as levels and forms of remuneration to senior executives. The board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The compensation committee shall monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines as well as the current remuneration structures and compensation levels in the company.

The members of the compensation committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. Conflicts of interest are counteracted in all decisions and any potential conflicts of interest are handled in accordance with the company's framework for governance, consisting out of a code of conduct, policies and guidelines.

Derogation from the guidelines

The board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the compensation committee's tasks include preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of material changes to the guidelines and how the views of shareholders' have been taken into consideration

The content of the guidelines has been reviewed and adapted to the legal requirements imposed by Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/ EC as regards encouragement of the long-term shareholder engagement.

Remunerations previously decided but not yet due

At the time of the annual general meeting on 18 April 2023, Concentric has no unsettled obligations of remuneration, except ongoing obligations to senior executives in accordance with the principles of remuneration described in the annual report.

Resolution on approval of remuneration report (item 14)

The board proposes that the general meeting resolves to approve the board's report on remuneration pursuant to Chapter 8, Section 53a of the Swedish Companies Act.

Resolution on performance based incentive programme (LTI 2023) (item 15)

General

The board believes that an incentive programme that is connected to the company's profits, and at the same time its increase in value, will award and foster the long-term growth of the company. Further, an incentive programme will contribute to the ability of the company to retain and recruit key employees within the group.

Considering the above, the board proposes a long-term performance based incentive programme ("LTI 2023") under which senior executives and key employees will be entitled to receive performance shares that entitle the participants to receive shares in the company under the terms and conditions set out below. The board's intention is that the incentive programme will run over a long-term period, thus the board intends to propose the general meeting in the coming years to resolve upon similar incentive

programmes.

To be able to implement LTI 2023 in a cost-efficient and flexible manner, the board has considered various methods for transferring shares under LTI 2023, such as repurchase and transfer of own shares to participants in LTI 2023, transfer of warrants entitling to subscription of new shares, or share swap agreement with a third party. The board has also taken into consideration that delivery of shares under LTI 2023 will be made no earlier than 2026. In order to retain full flexibility, the board proposes that shares can be delivered with any of the above three alternate methods (in accordance with the proposals below and the board's proposal on directed issue and transfer of warrants and the board's proposal on acquisition and transfer of own shares to participants in LTI 2023, with the right for the board to combine or choose any of the methods.

The proposal

Concentric has implemented LTI programmes on an annual basis since 2012. The LTI programme has enabled Concentric to offer a competitive total reward package necessary to attract and retain employees who are critical to Concentric's ongoing success.

The board proposes that the general meeting resolve on the implementation of a long-term incentive programme, LTI 2023, principally based on the following conditions and principles.

1. LTI 2023 shall comprise the CEO, up to 11 senior executives and 25 other key employees (total of 37 employees).
2. Each participant will free of charge receive a performance share award under LTI 2023 ("LTIP Award") entitling the participant to receive an allocation of a number of Concentric shares free of charge from Concentric or from a designated third party, subject to the satisfaction of the performance conditions set out under the heading "Performance criteria" below, as well as the condition in item 5 below ("Performance Shares").
3. Any Performance Shares will be allocated after the expiration of the three-year vesting period, which begins on the date decided by Concentric and notified to the participant in LTI 2023 and continues until the day of publication of the interim report for Q1 of the 2026 financial year (the "Vesting Period"). Offer of participation in LTI 2023 can be offered up to and including 31 May 2023.
4. Within LTI 2023, the value of the underlying shares at the time of grant in respect of each LTIP Award will amount to (i) for the CEO a value of up to 100 per cent of his annual base salary, (ii) for 11 other senior executives a value of up to 40 per cent of their respective annual base salary, and (iii) for a total of 25 other key employees a value of up to 20 per cent of their respective annual base salary. References to the annual base salary means the participant's base salary effective from 1 April 2023. The share price used to calculate the value of the underlying shares in respect of each LTIP Award, and hence the number of shares to which each LTIP Award entitles, shall be SEK 226.60 ("Input Value"), which equals to the average of each trading day's volume weighted average share price on Nasdaq Stockholm during the period from 9 February 2023 to 22 February 2023 (inclusive), rounded to the nearest ten öre.
5. Receiving the Performance Shares is subject to the participant remaining employed in the Concentric group (with certain exceptions decided by the board) throughout the three-year lock-up period, thus up to and including the date of receiving the Performance Shares.
6. The board shall be authorised to resolve on a premature allocation of the Performance Shares (i) if a person, alone or together with related parties, acquires such number of shares in the company that it, in accordance with applicable rules, gives rise to an obligation to announce a mandatory offer to acquire all outstanding shares in the company or (ii) for individual participants based on individual circumstances, or (iii) if premature allocation is otherwise deemed to be suitable or appropriate, taking into account performance achieved to the date of premature allocation.
7. The number of Performance Shares that may be transferred to participants in LTI 2023 may be recalculated due to a bonus issue, share split, rights issue and/or any similar event, by applying the recalculation principles applicable on the warrants proposed to the general meeting under the board's proposal on directed issue of warrants. In addition, the board may adjust the performance criteria due to circumstances affecting comparability of key figures, e.g. non-recurring events such as acquisitions, divestments and similar.
8. The board shall decide on the detailed terms and conditions of LTI 2023. The board shall be entitled to deviate from or adjust the terms and conditions as a result of local regulations and practice.
9. LTI 2023 comprises a maximum of 105,000 Performance Shares.

Performance criteria

The portion (if any) of an LTIP Award that will vest at the end of the Vesting Period is based on and subject to the satisfaction of the performance conditions set out below during the 2023, 2024, and 2025

financial years, i.e. during the period 1 January 2023 up to and including 31 December 2025 ("Performance Period"). The percentage weighting between the different performance conditions is stated below and the outcome for each performance condition will be determined individually. This means, inter alia, that all performance conditions do not have to be fulfilled for allocation of Performance Shares to take place.

Earnings per share

40 per cent of the allocation under an LTIP Award will depend on the accumulated earnings per Concentric share ("EPS") during the Performance Period. The Board of Directors will determine a minimum and maximum level, which will be disclosed after expiry of LTI 2023. If the minimum level is reached, an allocation of 25 per cent related to EPS will occur. If the maximum level is reached or exceeded, a full allocation related to EPS will occur. If the outcome is between the minimum level and the maximum level, a linear allocation related to EPS will occur. If the minimum level is not reached, no allocation related to the EPS will occur.

Return on capital employed

40 per cent of the allocation under an LTIP Award will depend on the average return on capital employed ("ROCE") during the years covered by the Performance Period. The Board of Directors will determine a minimum and maximum level, which will be disclosed after expiry of LTI 2023. If the minimum level is reached, an allocation of 25 per cent related to ROCE will occur. If the maximum level is reached or exceeded, a full allocation related to ROCE will occur. If the outcome is between the minimum level and the maximum level, a linear allocation related to ROCE will occur. If the minimum level is not reached, no allocation related to the ROCE will occur.

Sustainability

20 per cent of the allocation under an LTIP Award will depend on the revenue from the sale of electrical products as a percentage of total group revenue ("ESG Target") at the end of the final year of the Performance Period. The Board of Directors will determine a minimum and maximum level, which will be disclosed after expiry of LTI 2023. If the minimum level is reached, an allocation of 25 per cent related to the ESG Target will occur. If the maximum level is reached or exceeded, a full allocation related to ESG Target will occur. If the outcome is between the minimum level and the maximum level, a linear allocation related to ESG Target will occur. If the minimum level is not reached, no allocation related to the ESG Target will occur.

Authorisation to enter into a swap agreement

The company's supply of shares to the participants under LTI 2023 may be made by instructing a third party to deliver Concentric shares under a swap agreement.

In accordance with this, the board proposes that the general meeting resolve to authorise the board to enter into a swap agreement regarding own shares. Thus, it is proposed that the financial exposure of LTI 2023 may be hedged by the company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer Concentric shares to participants in LTI 2023.

Costs

The LTI 2023 may result in annual costs of no more than MSEK 7.1 for the company if the performance criteria are fully met, and an annual 15 per cent share price growth is assumed. In addition to this, social security charges will apply upon allocation of the Performance Shares, in the year 2026. Social security charges may amount to no more than MSEK 1.5 annually, based on the above assumptions.

Preparation of the matter

The board's proposal on LTI 2023 has been prepared by the board.

Resolution on a directed issue of warrants and approval of transfer of warrants (item 16)

The board proposes that the general meeting resolve on a directed issue of warrants with the right to subscribe for new shares in the company, in accordance with the below proposal.

The board's proposal entails that the general meeting shall decide on a directed issue of 105,000 warrants with the right to subscription of new shares in the company, principally in accordance with the following conditions.

1. The warrants are issued free of charge. Each warrant will give the right to subscribe for one new share in the company, thus the share capital of the company can increase with a maximum of SEK 266,700 if the warrants are fully utilised.
2. The right to subscribe for warrants shall, with a deviation from the shareholders' preferential rights, be granted the company's fully owned subsidiary Concentric Skånes Fagerhult AB.

3. Subscription to the warrants shall be made no later than June 30, 2023, with the board reserving the right to extend this time limit.
4. The warrants can be exercised to subscribe for shares in the company from the registration of the warrants with the Swedish Companies Registration Office and up to and including December 31, 2026.
5. A warrant entitles its holder to subscribe for one new share in the company for a subscription price corresponding to the share's quota value, SEK 2.54.
6. The new shares issued under the warrants shall entitle to dividend as from the first record date for dividend to occur after the registration of the new shares with the Swedish Companies Registration Office.
7. The number of shares issued under each warrant may be recalculated in accordance with recalculation principles due to a bonus issue, share split or consolidation, rights issue and/or any similar event.

Reason for the deviation from the shareholders' preferential right

The reason for deviating from the shareholders' preferential rights is that the company wishes to implement an incentive program for senior executives and key employees within the group, by which they can be offered the opportunity to take part in an increase in the company's share value.

Dilution

At full utilisation of the warrants, the number of outstanding shares in the company will increase by 105,000. These shares constitute 0.3 per cent of the number of shares and votes after full dilution, calculated as the number of new shares in relation to the number of existing and new shares in the company. Together with outstanding warrants under previous incentive programs, the warrants will result in a combined dilution of approximately 0.5 per cent of the outstanding shares and votes in the company.

If the proposed warrants had been fully utilised throughout 2022, the company's basic and diluted earnings per share for the financial year 2022 would have been SEK 13.20 and SEK 13.14 per share respectively on a pro forma basis, instead of SEK 13.20 and SEK 13.18 per share respectively as reported.

In the event that repurchased shares, or shares transferred by a third party under a swap agreement, (in accordance with the board's proposal for acquisition and transfer of own shares and the board's proposal of LTI 2023, respectively) are fully or partly transferred to the participants in LTI 2023 instead of warrants, the dilution will be reduced.

Transfer of the warrants

Furthermore, the board proposes that the general meeting resolve to approve that Concentric Skånes Fagerhult AB, on one or more occasions, may transfer warrants to a third party for reassignment of shares to the participants in LTI 2023 in accordance with the terms and conditions of LTI 2023, and dispose of the warrants in order to cover costs related to, or fulfil obligations occurring under, LTI 2023.

Preparation of the matter

The board's proposal has been prepared by the board.

Special authorisation and condition for resolution

The board proposes that the board, or anyone appointed by the board, shall be entitled to make the minor adjustments to the above proposed resolution that may be necessary upon registration of the resolution with the Swedish Companies Registration Office or due to any other formal requirement.

The board proposes that a resolution under this proposal be subject to the general meeting having resolved to pass the board's proposal on LTI 2023 under item 15 on the agenda.

Resolution on authorisation for the board to resolve on acquisition of own shares, authorisation for the board to resolve on transfer of own shares, and transfer of own shares to participants in LTI 2023 (items 17.a-17.c)

Proposal for a resolution on authorisation for the board to resolve on acquisition of own shares (item 17.a)

The board proposes that the general meeting authorises the board to resolve on repurchase of own shares on one or several occasions during the period up to the annual general meeting 2024 in accordance with the following.

1. Acquisition of own shares must be made on Nasdaq Stockholm.

2. Own shares may be acquired to the extent the company's holdings of own shares in total amounts to no more than one tenth of all shares in the company.
3. Acquisition of own shares on Nasdaq Stockholm shall be made in cash and at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price.

The reasons for the proposed authorisation to repurchase own shares are to be able to improve the company's capital structure and to enable share transfers in accordance with the board's proposals for authorisation for the board to transfer own shares and for previous and proposed resolution on transfer of own shares to participants in LTI 2020–2023, to increase the flexibility for the board in connection to potential future corporate acquisitions, as well as to cover costs for LTI 2020–2023 and enable delivery of shares in accordance with LTI 2020–2023. References made to LTI 2020–2022 includes the JSOP and Employee Share Ownership Trust.

Proposal for a resolution on authorisation for the board to resolve on transfer of own shares (item 17.b)

The board proposes that the general meeting authorises the board to resolve on transfer of own shares on one or several occasions during the period up to the annual general meeting 2024 in accordance with the following.

1. Transfer of own shares must be made either on Nasdaq Stockholm or in another manner.
2. Transfer of own shares may be made with deviation from the shareholders' preferential rights.
3. The maximum number of shares that may be transferred is the total number of own shares held by the company at the time of the board's resolution to transfer the shares.
4. Transfer of own shares on Nasdaq Stockholm shall be made at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price; transfer of own shares in another manner shall be made at a minimum price that shall be determined in close connection with the shares' quoted price at the time of the board's resolution to transfer the shares.
5. Payment for the transferred shares may be made in cash, by contribution in kind or by set-off.
6. The board is entitled to determine the other terms and conditions of the transfer which, however, shall be in accordance with the market practice.

The reasons for the proposed authorisation to transfer own shares and for the deviation from the shareholders' preferential rights are to be able to improve the company's capital structure, to cover costs relating to LTI 2020–2023 (including costs related to the JSOP) as well as to increase the flexibility of the board in connection to potential future corporate acquisitions, by facilitating a fast and cost-efficient financing by divesting holdings of own shares.

Proposal for a resolution on transfer of own shares to participants in LTI 2023 (item 17.c)

The board proposes that the general meeting resolve on transfer of own shares in accordance with the following.

1. The maximum number of shares that may be transferred is 105,000.
2. The participants in LTI 2023 are, with deviation from the shareholders' preferential rights, entitled to receive the shares with right for each of the participants to receive no more than the maximum number of shares allowed under the terms and conditions for LTI 2023.
3. The participants' right to receive shares is conditional upon the fulfilment of all of the conditions set up in LTI 2023.
4. The shares must be transferred within the time period set out in the terms and conditions of LTI 2023.
5. The shares shall be transferred free of charge as established under the terms and conditions of LTI 2023.
6. The number of shares that may be transferred to the participants in LTI 2023 may be recalculated due to bonus issue, share split, rights issue and similar events in accordance with the terms and conditions of LTI 2023.

The reason for the proposed transfer and for the deviation from the shareholders' preferential rights is to enable delivery of shares under LTI 2023.

The board proposes that a resolution under this proposal be subject to the general meeting having resolved to pass the board's proposal on LTI 2023 under item 15 on the agenda.

MAJORITY REQUIREMENTS

Resolutions under items 17.a (authorisation for the board to resolve on acquisition of own shares) and 17.b (authorisation for the board to resolve on transfer of own shares) will not be valid unless supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the general meeting.

Resolutions under items 16 (directed issue of warrants and approval of transfer of warrants) and 17.c (transfer of own shares to participants in LTI 2023) will not be valid unless supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the general meeting.

DOCUMENTS

All documents in accordance with the Swedish Companies Act (2005:551) will be available at the company's legal counsel, Advokatfirman Lindahl, at Nybrogatan 17 in Stockholm and on the company's website www.concentricab.com no later than as from Tuesday, March 28, 2023 and will be sent, immediately and free of charge to the recipient, to those shareholders who so request and state their postal address.

INFORMATION

If so requested by any shareholder and if the board deems it possible without significant detriment to the company, the board and CEO must provide information at the general meeting about circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation, the group accounts and the company's relation to other companies within the group. Shareholders who wish to submit questions in advance may send them to Victoria Skoglund, Concentric AB, Box 5898, 102 40 Stockholm, Sweden.

SHARES AND VOTES

As per the day of this notice, the number of shares and votes in the company totals 38,297,600 respectively of which the company holds 108,153 shares. In addition to this, 209,947 shares have been transferred to an employee share ownership trust.

PROCESSING OF PERSONAL DATA

For information on how your personal data is processed, please see <http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Concentric AB (publ)

The board of directors

For additional information please contact Marcus Whitehouse, telephone +44-121-445 6545

Concentric AB is an innovator in flow control and fluid power, supplying proprietary systems and components to the world's truck, agricultural machinery, construction equipment and industrial applications end-markets. The company has a global manufacturing presence including in the UK, USA, Germany, Sweden, India and China. Concentric's focus is to develop world class technology with innovative solutions that meet the sustainability needs of our customers. Concentric offers engine products including lubricant, coolant and fuel pumps, hydraulic products encompassing gear pumps and power packs, and finally several key technologies for the fast growing market for electrical and hybrid powertrains. In 2021, The Group had a turnover of MSEK 2,115 and circa 1,100 employees. At the end of October 2021, The Group acquired Engineered Machined Products, Inc. ("EMP"), a leading US producer of electric and mechanical water and oil pumps, electric fans, thermal management systems and precision machined components. In 2021, EMP had over 400 employees and a turnover of SEK 1,011 million. Including EMP for the whole year 2021, Concentric would have had a combined turnover of SEK 2,958 million.