



The English version is an in house-translation. In case of any discrepancy, the Swedish text will prevail.

Notice to attend the annual general meeting of PowerCell Sweden AB

Gothenburg, Sweden, March 23, 2021

The shareholders of Powercell Sweden AB (publ), company registration no. 556759-8353 ("PowerCell" or the "Company"), are hereby given notice to attend the Annual General Meeting to be held on 22 April 2021.

Postal voting replaces physical Annual General Meeting due to the covid-19 pandemic

Due to the continued spread of the virus that causes covid-19, the Board of Directors has resolved that the Annual General Meeting will be held solely by postal vote in accordance with the Act (2020:198) on Temporary Exemptions to Facilitate the Execution of General Meetings and Association Meetings in order to secure shareholder safety. This means that the Annual General Meeting will be held without the attendance of shareholders, proxies and outsiders, i.e. no Annual General Meeting will be held with the possibility of physical participation. Participation in the Annual General Meeting will instead take place via a digital postal voting form; see more below under the heading *Advance voting*.

PowerCell encourages all shareholders to exercise their voting right at the Annual General meeting by advance voting (postal voting) in accordance with the procedure set out below. Information regarding the resolutions adopted at the Annual General Meeting will be published after final compilation of the vote.

In the postal voting form, the shareholders may request that resolution in one or more of the matters on the agenda be postponed to a continued General Meeting. Such General Meeting may not purely be an advance voting General Meeting and shall take place if the Annual General Meeting resolves thereof or if the owners of at least one tenth of all the shares in the Company so request.

Matters that should not be postponed to continued General Meeting

Formal matters such as approval of the balance sheet, and income statement, appropriation of earnings and the Board of Directors' discharge from liability (items 8 a-c on the agenda below) should be resolved upon by the postal vote that is now being carried out. For these matters, there are certain time limits that must be followed and the Company risks penalties if these are not complied with.



Notice of intention to participate

Any shareholder wishing to participate at the Annual General Meeting must:

- be entered in the share register maintained by Euroclear Sweden AB as per Wednesday, 14 April 2021 or, if the shares are registered with a nominee, request that the nominee register the voting rights no later than Friday, 16 April 2021, and
- have registered by casting their postal vote in accordance with the instructions under the heading "*Advance voting*" below so that the postal vote is received by [poströsta.se](#) no later than Wednesday, 21 April 2021. Please note that registration for the Annual General Meeting can only be made by postal vote.

Nominee registered shares

In order to be entitled to participate at the Annual General Meeting (registration of postal vote), shareholders who have caused their shares to be registered with a nominee must request that they be temporarily registered in their own name in the shareholders' register maintained by Euroclear Sweden AB. As stated above, the nominee must have carried out the registration of postal vote at Euroclear Sweden AB no later than Friday, 16 April 2021. The shareholder should provide notice to the nominee thereof in due time and register their shares with voting rights in accordance with the nominee's instructions.

Advance voting

Shareholders may only exercise their voting rights at the Annual General meeting by voting in advance by digital postal voting. For advance voting, shareholders must use a digital form, which will be available on the Company's website, [www.powercell.se](#). The voting form must be completed and submitted no later than Wednesday, 21 April 2021. A shareholder who exercises his voting right by advance voting does not need to specifically register for the Annual General Meeting as submission of the voting form shall be valid as notification.

If the shareholder is a legal entity, the form must include the registration certificate or other applicable document. Proxy forms for shareholders who wish to vote in advance by proxy are available on the Company's website, [www.powercell.se](#).

Shareholders may not submit the advance vote with specific instructions or conditions. If such occurs, the advance vote is invalid. Additional instructions and conditions are stated on the form.

Business

Proposed agenda

- 1) Opening of the meeting;
- 2) Election of chairman of the meeting;



- 3) Preparation and approval of the voting register;
- 4) Election of one or two persons to verify the minutes;
- 5) Determination of whether the Annual General Meeting has been duly convened;
- 6) Approval of the agenda;
- 7) Presentation of the annual report and the auditor's report for the Company and the group;
- 8) Resolutions regarding :
 - a) adoption of the income statement and balance sheet for the Company and the group;
 - b) allocation of the Company's results according to the adopted balance sheet;
 - c) discharge from liability for the directors and the CEO;
- 9) Resolution regarding determination of the number of directors;
- 10) Resolution regarding determination of the fees payable to the directors and the auditors;
- 11) Election of the Board of Directors;
 - a) Dirk De Boever;
 - b) Helen Fasth Gillstedt;
 - c) Uwe Hillmann;
 - d) Magnus Jonsson;
 - e) Göran Linder;
 - f) Annette Malm Justad;
 - g) Riku-Pekka Hägg;
- 12) Election of auditor;
- 13) Resolution regarding principles for the nomination committee;
- 14) Resolution regarding guidelines for determination of salaries and other compensation to senior management;
- 15) Adoption of new articles of association;
- 16) Resolution regarding performance-based incentive program (LTI 2021);
- 17) Resolution on delivery and cost-hedging measures for LTI 2021;
 - a) Directed issue of warrants, series 2021:1;
 - b) Transfer of the warrants to Participants (see definition below) in LTI 2021;



- c) Transfer of the warrants to cover costs for LTI 2021 and authorization to enter into swap agreements;
- 18) Resolution regarding authorization of the Board of Directors to issue shares and/or warrants and/or convertibles;
- 19) Resolution regarding adjustment authorization;
- 20) Closing of the meeting.

Nomination committee

In accordance with the Annual General Meeting's principles adopted last year, the nomination committee is composed of one representative each from the three largest shareholders as per 30 July 2020, as well as one representative from the Company's Board of Directors. The three largest shareholders as per 30 July 2020, who, upon request, announced their interest in participating in the nomination committee were Robert Bosch GmbH, Fouriertransform AB and Livförsäkringsbolaget Skandia. The owners have appointed one representative each in accordance with the following: Achim Moritz (Robert Bosch GmbH) has represented Robert Bosch GmbH, Christer Jönsson (Saminvest) has represented Fouriertransform and Oskar Börjesson (Livförsäkringsbolaget Skandia) has represented Livförsäkringsbolaget Skandia. Magnus Jonsson has been the convening member and represented the Company's Board of Directors.

Proposed resolutions by the nomination committee

2. Election of chairman of the meeting

The nomination committee proposes lawyer Eric Ehrencrona or, in the event of an impediment, the person appointed by the nomination committee to be elected as the chairman of the Annual General Meeting.

3. Preparation and approval of the voting register

The voting register proposed for approval under item 3 of the agenda is the voting register that is prepared by the chairman, based on the general meeting's share register and advanced votes received and which has been verified by the adjustor.

4. Election of one or two persons to verify the minutes

Hanna Friberg, lawyer at MAQS Law Firm, is proposed as person to verify the minutes or, in the event of impediment for her, the person appointed by the nomination committee instead. The tasks of the adjustor also include checking that the voting list and advance votes received are correctly recorded in the minutes of the meeting.

9. Resolution regarding determination of the number of directors

The nomination committee proposes that the number of directors for the period until the next Annual General Meeting is seven and that no deputy directors shall be appointed.



10. Resolution regarding determination of the fees payable to the directors and the auditors

The nomination committee proposes that the fee per director elected by the Annual General Meeting shall be distributed as follows (last year's figures in brackets): chairman of the Board of Directors SEK 440 000 (400 000) and director not employed by the Company SEK 220 000 (200 000).

If the meeting resolves according to the nomination committee's proposal as regards the composition of the Board of Directors, the total fee will amount to SEK 1 760 000 (1 600 000).

It is proposed that the fee for work in the audit committee be SEK 110 000 (100 000) to the chairman and SEK 55 000 (50 000) to each of the other members.

It is proposed that the fee for work in the remuneration committee be SEK 33 000 (30 000) to the chairman and SEK 17 000 (15 000) to each of the other members.

It is proposed that fees be paid to the auditor according to invoice approved by the Company.

11. Election of the Board of Directors

The nomination committee proposes the following Board of Directors: re-election of Dirk De Boever, Helen Fasth Gillstedt, Uwe Hillmann, Magnus Jonsson, Göran Linder, Annette Malm Justad and Riku-Pekka Hägg.

Magnus Jonsson is proposed to be re-elected as the chairman of the Board of Directors.

Further information about the proposed directors can be found on www.powercell.se.

The proposed composition of the Board of Directors of the Company complies with the rules in the Code of Corporate Governance regarding independence. All directors are independent in relation to the Company and its executive management and all directors, except Uwe Hillmann (Bosch GmbH), are independent in relation to the Company's major shareholders.

12. Election of auditor

The nomination committee proposes re-election of Öhrlings PricewaterhouseCoopers AB (PwC) as auditor of the Company for the period until the end of the next Annual General Meeting. PwC has informed that in the event it is re-elected, Fredrik Göransson will continue in his capacity as principal auditor.

13. Resolution regarding principles for the nomination committee

Proposal of principles for the nomination committee:

The nomination committee, which is to be appointed for the time until a new nomination committee has been appointed, shall consist of at least three and no more than four members, of whom at least two and no more than three shall be nominated by the Company's largest shareholders with respect to voting power and one member shall be the chairman of the board. The chairman shall be the only board member in the nomination committee.



Each of the Company's three largest shareholders determined by percentage of voting rights, shall each be entitled to appoint one member of the nomination committee. The largest shareholders shall be determined based on a list of owner-registered shareholders from Euroclear Sweden AB or other reliable ownership information, as of 30 July 2021. If one or more of the three largest shareholders refrain from appointing a member of the nomination committee, the chairman of the board shall offer other major shareholders (considering no more than the 20 largest shareholders in the above-mentioned list) to appoint a member of the nomination committee. If such an offer is made, it shall be made in due order to the other major shareholders (i.e. first to the fourth largest shareholder, thereafter to the fifth largest shareholder, etc.). Unless otherwise agreed between the members, the chairman of the nomination committee shall be nominated by the largest shareholder.

If less than three major shareholders choose to nominate a member of the nomination committee, the already appointed members of the nomination committee shall have the right but no obligation to jointly appoint additional member(s) of the nomination committee within the member requirements provided above. Any additional member(s) shall be independent in relation to the Company, relevant experience for the task and or preferably be familiar with the Company or companies within the same sector/industry as the Company. If less than two major shareholders choose to nominate a member of the nomination committee, the right provided in this section shall instead constitute an obligation in order to fulfill the member requirements.

No remuneration shall be paid to the members of the nomination committee except for any external member(s) who may have been appointed jointly by the other members in accordance with the principles above. Such jointly appointed member(s) shall receive remuneration for work in the nomination committee amounting to a fixed fee of SEK 33,000 excluding VAT with an additional fee of SEK 3,000 excluding VAT per extra meeting if the number of meetings of the nomination committee exceeds ten (i.e. an additional SEK 6,000 excluding VAT shall be paid if the nomination committee holds twelve meetings). The nomination committee may also charge the Company for reasonable expenses for travel, administration and possible recruitment costs in connection with work for the nomination committee.

The nomination committee shall present proposals to the Annual General Meeting 2022 for a) election of chairman of the Annual General Meeting, b) resolution regarding the number of board members, c) resolution regarding fees to the chairman of the board and each of the other board members (including work in the board committee d) elections of board members, e) election of chairman of the Board of Directors, f) resolution regarding fee to auditor, g) election of auditor, h) resolution regarding principles for appointment of the nomination committee and i) resolution regarding principles for the nomination committee.

If a member of the nomination committee resigns prior to completion of the work, and if the nomination committee deems that there is a need to replace the member, the nomination committee shall appoint a new member; primarily a member nominated by the shareholder which nominated the resigning member, under the condition that the shareholder remains one of the three largest shareholders in the Company. 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.



Changes in the nomination committee's composition shall be communicated by the chairman of the nomination committee to the chairman of the board as soon as possible. The change shall also be disclosed to the public as soon as possible.

Proposed resolutions by the Board of Directors

8 b. Resolution on allocation of the Company's results according to the adopted balance sheet

The Board of Directors proposes that the Annual General Meeting resolves that the Company's profit or loss is allocated according to the Board of Directors' proposal in the annual report. The Board of Directors further proposes that no dividend be paid for the financial year 2020.

14. Resolution regarding guidelines for determination of salaries and other compensation to senior management

Compensation to senior management.

The Board of Directors proposes the following guidelines for the determination of salaries and other compensation to senior management. For the purpose of ensuring that the Company is able to recruit and retain qualified senior managers, the fundamental principle is that the senior management must be offered employment terms and compensation on market terms.

Salaries and other benefits: Compensation to the senior management shall be comprised of a fixed salary and pension. The fixed salaries are normally reviewed on a calendar year basis. In addition to fixed salaries, there may be variable salaries provided that the variable portion never exceeds 25 percent of the annual salary, in addition to the possible opportunity to participate in a performance-based incentive program similar to LTI 2021 (see further under item 16 below). In addition, the senior management shall be entitled to customary non-monetary benefits such as a company car and occupational healthcare. In addition to these benefits, other benefits may also be offered on an individual basis.

Pension: Senior management shall be offered premium-based agreements. The premium shall correspond to the premium contributions, which apply from time to time for ITP 1/ITP 2, or a maximum of 35 percent of gross salary. In the premium-based agreement, the pension will correspond to the sum of premiums and any return, without any guaranteed pension level. Under the premium-based pension plan, there is no defined time for retirement.

Notice of termination period and severance pay: The notice of termination period for senior management (excluding CEO) shall vary between three to six months. The notice of termination period for the CEO amounts to six months when termination is made by the CEO and twelve months when termination is made by the Company. Upon termination by the Company, severance pay is, in addition, payable in an amount corresponding to not more than six months' salary.

Deviations in individual cases: The Board of Directors shall be entitled to deviate from these guidelines where there is special cause for such an individual case.



Compensation to the Board of Directors

Compensation to the Board of Directors is determined by the Annual General Meeting based on proposals from the nomination committee. However, the Board of Directors is entitled, in specific cases, to commission an individual director to perform consultancy services on behalf of the Company within their respective areas of competence. Directors elected by the Annual General Meeting shall, in these specific cases, be eligible to receive fees for services, which do not constitute board work. With respect to the services, a fee on market terms will be payable, which must be approved by the Board of Directors. This shall also be applicable if the work is carried out through a Company wholly or partially owned by a board member.

15. Resolution on adoption of new Articles of Association

The Board of Directors proposes that the term "company" abolished by law, be removed from section 1 of the Articles of Association and replaced by "company name" and that the first paragraph in section 9 regarding participation in general meetings is amended as a result of a change in the Swedish Companies Act, entailing that the record day prior to a general meeting of a listed company shall fall six banking days before the general meeting. The Board of Directors further proposes that new third, fourth and fifth paragraphs be introduced in section 9 of the Articles of Association to give the Board of Directors the opportunity to collect proxies and allow advance voting (postal voting) before a general meeting. The numbering is consequently changed for all subsequent items. In addition, certain minor linguistic adjustments is also proposed in the Articles of Association.

Current wording	Proposed wording
§ 1 Company <i>The company's company is Powercell Sweden AB (publ). The company is public.</i>	§ 1 Firma Company name <i>The company's firma—company name is Powercell Sweden AB (publ). The company is public.</i>
§ 9 Right to participate in the General Meeting <i>Shareholders who wish to participate in the Annual General Meeting shall be recorded as a shareholder in such transcript or other reproduction of the entire share register as referred to in Chapter 7, Section 28, third paragraph of the Swedish Companies Act (2005:551), regarding the conditions, five working days before the General Meeting, and notify their participation to the Company no later than the time and date specified in the summons to the General Meeting. The latter mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer's eve, Christmas eve or New Year's eve and not fall</i>	§ 9 Right to participate in the General Meeting Aktieägare som vill delta i bolagsstämma skall dels vara upptagen som aktieägare i sådan utskrift eller annan framställning av hela aktieboken som avses i 7 kap. 28 § tredje stycket aktiebolagslagen (2005:551), avseende förhållandena fem vardagar före stämma, dels anmäla sitt deltagande till Bolaget senast den tidpunkt och A shareholder who wishes to participate in the General Meeting may do so only if the shareholder notifies the company on the date specified in the summons to the General Meeting.



<p><i>earlier than the fifth working day before the meeting.</i></p> <p><i>A shareholder may, at the General Meeting, be accompanied by one or two assistants, however, only if the shareholder has given notice of this in accordance with the previous paragraph.</i></p>	<p>The latter mentioned day This day may not be a Sunday, other public holiday, Saturday, Midsummer's eve, Christmas eve or New Year's eve and not fall earlier than the fifth working day before the meeting.</p> <p>A shareholder may, at the General Meeting, be accompanied by one or two assistants, however, only if the shareholder notifies the company of the number of assistants in the manner specified in the previous paragraph.</p> <p>The Board of Directors has the right to resolve that anyone who is not a shareholder in the company shall, under the conditions resolved by the Board of Directors, have the right to attend or otherwise follow the proceedings at the General Meeting.</p>
	<p>§ 10 Collection of proxies and postal voting</p> <p>The Board of Directors may collect proxies in accordance with the procedure specified in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).</p> <p>Prior to a General Meeting, the Board of Directors may resolve that the shareholders are able to exercise their voting rights before the General Meeting in accordance with the provisions of Chapter 7, Section 4 of the Swedish Companies Act (2005:551).</p>
<p>§ 12 Securities depository registration clause</p> <p><i>The shareholder or administrator whom on the record day is registered in the share register and in a securities depository register in accordance with Chapter 4 in the Swedish Financial Instruments Accounts Act (1998:1479) or registered in securities depository accounts in accordance with Chapter 4 Paragraph 18 First</i></p>	<p>§ 12 13 Securities depository registration clause</p> <p>The shareholder or administrator whom on the record day is registered in the share register and in a securities depository register in accordance with Chapter 4 of the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (SFS 1998:1479) or registered in securities depository accounts in accordance with</p>



<i>section 6-8 in above mentioned act, is assumed to be authorised to exercise the rights stated in Chapter 4 Paragraph 39 of the Swedish Companies Act (2005:551).</i>	Chapter 4 Paragraph 18 First section 6-8 in above mentioned act, is assumed to be authorised to exercise the rights stated in Chapter 4 Paragraph 39 of the Swedish Companies Act (2005:551).
---	---

The approval by the Annual General Meeting of this proposal according to the above is valid only if supported by shareholders representing at least 2/3 of both the votes cast and the votes represented at the meeting.

16. Resolution on performance-based incentive program (LTI 2021)

The Board of Directors of Powercell proposes that the Annual General Meeting resolves on the implementation of a performance-based long-term incentive program for certain senior executives and key persons in the Company ("LTI 2021") as described below. Should the Annual General Meeting resolves on LTI 2021, the Board of Directors of PowerCell (the "Board") intends to provide information about target levels and the outcome of LTI 2021, no later than at the 2026 Annual General Meeting.

Summary and motive

The program comprises a maximum of 28 current key persons in the Company (the "Participants"). The Board may also, if the Board deems it to be in the Company's interest, offer one or more newly hired employees (or, where applicable, a current employee who is not initially offered participation in LTI 2021) to participate in LTI 2021 in accordance with the terms and conditions described herein. After a qualifying period of five years the participants will be allotted warrants in the Company without any consideration, provided that certain qualifying terms and conditions are fulfilled (the "Performance Share Right"). In order for these so-called Performance Share Rights to entitle the Participant to an allotment, the Participant must have chosen to retain his/her assignment in the Company under the current Qualifying Period (as defined below). In order for allotment to occur, it is further required that certain performance targets based on established milestones are achieved by the Company. The volume of allotted Performance Share Rights is further based on the annual development of the Company's share price in relation to the index on the exchange where the Company's shares are listed.

The maximum number of Performance Share Rights that can be allotted in accordance with LTI 2021 shall be limited to 390,601 (corresponding to the same number of shares in the Company). In addition to these Performance Share Rights, it is proposed than an additional 122,727 warrants be issued to cover the Company's costs through the hedging measures proposed below. This means that LTI 2021, in the event of a maximum outcome, entails that the Participants receive Performance Share Rights corresponding to shares represented approximately 0,74 percent of all shares and votes in the Company and that the program in its entirety (including issue of cost-covering warrants) may entail a maximum dilution of approximately 0,97 percent.

The motives for the Board's proposal of LTI 2021 are to reinforce the Company's ability to retain existing workforce and recruit key personnel to the Company.



The proposal has also been developed with the aim of spreading and increasing shareholding among the Participants and ensuring a common focus on long-term and sustainable growth for the Company, which would ensure that the shareholders' and Participants' interests are further consolidated. Through a performance-based incentive program, the Participants' compensation can be linked in a relevant way to the Company's future development and growth.

In order to enable the implementation of LTI 2021 in a cost-effective manner, the Board's proposal for LTI 2021 is conditional on that the Annual General Meeting also resolves on the delivery and hedging methods proposed under item 17 a) – c) in the agenda.

Performance Share Right

The Performance Share Rights mean that Participants in the program are entitled to acquire one warrant in the Company for each Performance Share Right with a right for its holder to acquire one share in the Company at a price corresponding to the quota value of the share at the time the shares are subscribed (currently SEK 0,22), provided that the qualifying terms and conditions stated below are fulfilled. The Performance Share Rights are allotted with no payment of consideration.

Terms of Participation

LTI 2021 comprises a maximum of 28 employees and additional employees in the Company, who the Board resolves to offer participation in the program. The Participants are divided into three categories as follows:

Category 1: One participant – the CEO

Category 2: Seven participants – Critical senior executives and key persons

Category 3: Twenty participants – Essential senior executives and key personnel

The number of Performance Share Rights that a Participant may be granted depends on the category of the Participant.

Category 1: 113,565 Performance Share Rights

Category 2: Up to 20,271 Performance Share Rights per Participant (the total number of Performance Share Rights that can be granted to all the Participants in Category 2 may never exceed 141,897)



Category 3: Up to 6,757 Performance Share Rights per Participant (the total number of Performance Share Rights that can be granted to all the Participants in Category 3 may never exceed 135,140)

Conditions for qualifying

In order for Participants to be able to exercise their Performance Share Rights and receive an allotment, the following qualifying conditions must be fulfilled:

Maintained assignment

To be granted Performance Share Rights, the Participant must, during each of the relevant Qualifying Periods (defined below) have retained their employment or assignment in the PowerCell Group. This requirement shall, however, not be applied if the Participant's employment or assignment within the PowerCell Group has been terminated due to disability, death, retirement or that the Company has sold the subsidiary where the Participant is employed.

In the event the Company terminates Participants' employment in the PowerCell Group prior to a qualifying date, previously earned Performance Share Rights may be exercised at regular time for exercise as described below, but no further earning shall take place. If the Participant's employment is terminated due to dismissal by the employer or termination by the employer and objective grounds for dismissal for personal reasons, all the earned Performance Share Rights shall, however, expire.

In order to exercise the maximum number of Performance Share Rights under LTI 2021 it is thus required that the Participant is employed within the PowerCell Group up to and including 1 January 2026 (the "Qualifying Period").

The Performance Share Rights are gradually earned over approximately five years, corresponding to five periods until 1 January 2026 (each such period is a "Qualifying Period"). The Performance Share Rights are earned according to the allotment below at the end of each Qualifying Period, provided that the Participant is still employed on that day. In addition to these qualifying conditions, the Performance Share Rights are subject to performance-based earnings based on the development of PowerCell's share price, in accordance with the conditions for performance-based qualifying below.

Close of Qualifying Period 1 (1 January 2022) – 1/15 of allotted Performance Share Rights

Close of Qualifying Period 2 (1 January 2023) – 2/15 of allotted Performance Share Rights

Close of Qualifying Period 3 (1 January 2024) – 3/15 of allotted Performance Share Rights

Close of Qualifying Period 4 (1 January 2025) – 4/15 of allotted Performance Share Rights

Close of Qualifying Period 5 (1 January 2026) – 5/15 of allotted Performance Share Rights



Performance

In addition to the above conditions for qualifying, the Performance Share Rights are subject to performance-based earning based on the extent the Company achieves certain milestones set by the Board for respective Qualifying Period ("Performance Targets"). The Performance Targets relate to the tangible and objective ascertainable targets for long-term and sustainable growth in the Company, which have been prepared and set by the Board in consultation with management. The Performance Targets can be achieved in whole or in part (0-100 percent).

In addition to fulfilling the Performance Targets, the annual outcome of LTI 2021 depends on the annual development of PowerCell's share price (the "Company Development") in relation to average annual share price development for all companies whose shares are listed for trading on the stock exchange where PowerCell's shares, at any given time, are listed ("General Development"). The principle can be exemplified as follows:

*Qualifying Period 1 – The Participant's fulfilment rate of the Performance Targets amounts to 80 percent. The Company's Development amounts to plus 7 percent compared with that the General Development amounts to plus 10 percent. The Company's Development constitutes 97,27 percent (107/110) percent of the General Development. This means that 77,82 (97,27*0,80) percent of 1/15 of the Performance Share Rights shall be allotted to the Participants for this period.*

*Qualifying Period 4 – The Participant's fulfilment rate of the Performance Targets amounts to 90 percent. The Company's Development amounts to minus three percent compared with that the General Development amounts to minus 8 percent. The Company's Development constitutes 105,43 percent (97/92) percent of the General Development. This means that 94,89 (105,43*0,9) percent of 4/15 of the Performance Share Rights shall be allotted to the Participants for this period.*

Other conditions for Performance Share Right

The following conditions otherwise apply for the Performance Share Rights:

- Participants shall not have the right to transfer, pledge or sell the Performance Share Rights or to exercise any shareholder rights regarding the Performance Share Rights during the Qualifying Period.
- The earliest time at which earned Performance Share Rights may be exercised is the day after the 2026 Annual General Meeting.
- The Company will not compensate the Participants for any dividends in the Company.
- The Performance Share Rights may be allotted by the Company and by other companies within the PowerCell Group.



- In the event of a public takeover bid, sale of the Company's operations, liquidation, merger or other similar transaction that affects PowerCell, all Performance Share Rights for the current Qualifying Period shall be earned in connection with such transaction being completed against any remaining Qualifying Periods maturing and no additional Performance Share Rights can be earned.

Maximum quantity

The maximum number of Performance Share Rights that can be issued in accordance with LTI 2021 is 390,601, which corresponds to approximately 0,74 percent of the outstanding shares and votes in the Company.

The number of shares included in LTI 2021 shall, in accordance with the detailed terms and conditions resolved by the Board, be subject to recalculation due to the Company carrying out a bonus issue, consolidation or division of shares, rights issue or similar measures, taking into consideration customary practice for corresponding incentive programs.

Structure and administration

The Board is responsible for the detailed structure and administration of LTI 2021, as well as the detailed terms and conditions that shall apply between the Company and the Participant in the program, within the framework for the terms and conditions and guidelines set out herein. In connection therewith, the Board shall have the right to determine deviating terms and conditions for the program regarding, among other things, the Qualifying Period under certain conditions. The Board shall also have the right to make adjustments to fulfil special rules or market conditions.

In certain cases, the Board shall have the right to reduce final allotment of shares or, wholly or partially, terminate LTI 2021 prematurely without compensation to the Participants if there are significant changes in the Company or the market.

Delivery and cost-hedging measures

To secure the Company's undertakings as a result of the Performance Share Rights the Board proposes that the Company shall issue and decide to transfer warrants to the Participants (in accordance with item 17 a) and b) below). It is further proposed that the Board shall have the right, if necessary to hedge certain costs, to enter into so-called swap agreements with a third party (e.g. a shareholder or a financial institute, in accordance with item 17 a) and c) below).

Costs for LTI 2021 and impact on important key ratios

As a result of the proposed delivery and cost-hedging measures (item 17 a) – c) below) the Company's liquidity will only be affected by administrative costs and VAT that arise in relation to LTI 2021. Delivery and cost-hedging measures thus ensure that the potential salary costs that the program may entail will be covered by the additional 122,727 warrants that the Board proposes to be issued.



There are no additional costs for the Company or its shareholders, except for the fact that the program at maximum outcome means that the Participants receive Performance Share Rights corresponding to shares representing approximately 0,74 percent of all shares and votes in the Company and that the program in its entirety (including issue of cost covering warrants) can entail a maximum dilution of approximately 0,97 percent.

The Board has the right to reduce the number of Performance Share Rights that the Participants can exercise if, for example, the expected taxation of LTI 2021 deviates from the actual taxation and leads to increased costs for the Company. However, such costs are secured, as stated above, by the measure proposed in item 17 c) below.

Overall the Board assessed that the positive earnings effects that may finally arise via LTI 2021 will consider the costs related to LTI 2021.

Dilution effect

The total number of warrants issued to enable delivery and secure costs is 122,727. Upon full exercise of the warrants the number of shares in the Company will increase by 122,727. These shares constitute 0,23 percent of the number of shares and votes after full dilution, calculated as the number of additional shares in relation to the total of current and additional shares in the Company.

Preparation of the proposal

LTI 2021 has been prepared by the Company's Board and Remuneration Committee in consultation with external advisors. The Board has subsequently decided to present this proposal to the Annual General Meeting. Except the salaried employees who prepared the matter in accordance with the instruction from the Company's Board, no employee who may be included in the program participated in the preparation of terms and conditions.

Other long-term incentive programs

The Company currently has not ongoing long-term (or other) incentive programs.

The Board's proposal for resolution

With reference to the above-mentioned description, the Board proposes that the Annual General Meeting resolves on the implementation of LTI 2021.

Majority requirement

The Board's proposal under item 17 a) – c) is conditional on that the Annual General Meeting approves the Board's proposal regarding LTI 2021 in item 16. The Board therefore proposes that the Annual General Meeting resolves regarding item 16 and 17 a) –c) jointly and that a resolution shall only be valid



if it is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the general meeting.

17. Resolution on delivery and cost-hedging measures for LTI 2021

a) Directed issue of warrants, series 2021:1

The Board proposes that the Annual General Meeting resolves on directed issue of 513,328 warrants of series 2021:1 with right to subscribe to new shares in the Company, mainly in accordance with the proposals below.

1. The warrants shall be issued without payment of consideration. Each warrant shall entitle the holder to subscribe for one new share in the Company, therefore the share capital, upon full exercise of the warrant, shall increase by a maximum of SEK 11,293.216020.
2. The right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, belong to the Company's wholly-owned subsidiary, Powercell Warrants One AB.
3. Oversubscription may not take place.
4. Subscription of warrants shall be carried out via a special subscription list no later than 29 April 2021. The Board shall have the right to extend the subscription period.
5. The warrants shall give the right to subscribe to shares from the time the warrants are registered with the Swedish Companies Registration Office up to and including July 1, 2026.
6. The subscription price for the shares subscribed for with support of the warrants shall correspond to the quota value of the share at the time the shares are subscribed for.
7. The newly issued shares shall carry the right to dividend from and including the first record date for dividends that occurs after the shares have been registered with the Swedish Companies Registration Office.
8. The number of shares that can be subscribed for each warrant may be recalculated in accordance with customary conversion principles due to, among other things, bonus issue, consolidation or division of shares, rights issue or similar measures.
9. The reasons for deviation from the shareholders preferential rights is that the Company wishes to implement LTI 2021.

The complete terms and conditions for the warrants of series 2021:1, is set out in a special Appendix which is kept available in accordance with what is stated below under the title "Annual report and other document".

b) Transfer of the warrants to Participants in LTI 2021



The Board proposes that the Annual General Meeting resolves to approve that the Company, on one or more occasions, may transfer the warrants of series 2021:1 to participants in LTI 2021 in accordance with the conditions for LTI 2021.

- c) Transfer of warrants to cover costs for LTI 2021 and authorization to enter into swap agreements

The Board proposes that the Annual General Meeting resolves to approve that the Company, on one or more occasions, transfer series 2021:1 warrants to a third party to cover the costs for LTI 2021. This can be achieved, for example, by the Company entering into a swap agreement with a third party.

Special authorization

The Board or the person appointed by the Board is proposed to be authorized to make such minor amendments and clarifications of the resolution by the Annual General Meeting that may prove necessary in connection with registration with the Swedish Companies Registration Office or due to other formal requirements.

Majority requirement for resolution

The Board's proposal under item 17 a) – c) is conditional on that the Annual General Meeting approves the Board's proposal regarding LTI 2021 in item 16. The Board therefore proposes that the Annual General Meeting resolves regarding item 16 and 17 a) –c) jointly and that a resolution shall only be valid if it is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the General Meeting.

18. Resolution regarding authorization for the Board of Directors to issue shares and/or warrants and/or convertibles

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to resolve, on one or several occasions, on issue of shares and/or warrants and/or convertibles during the time until the next Annual General Meeting for payment in cash and/or with terms regarding set-off or issue in kind or otherwise with terms and thereby deviate from the preferential right of the shareholders.

The issues shall be done to a marketable issue price determined by the Board of Directors in consultation with the Company's financial advisers, taking into consideration any marketable issue-discount.

The number of shares that could be issued, or the number of shares that could be subscribed for through warrants, or the number of shares that convertibles could be converted into shall amount to a total maximum of 5 763 200 new shares representing a dilution amounting to approximately 10 per cent.

The purpose of the authorization and the reason to deviate from the preferential right of the shareholders is that issues shall be possible for financing the Company's business, commercialisation and



development of the Company's products and markets and/or acquisition of businesses, companies or parts of companies and/or enable a broadening of the owner base of the Company.

The approval by the Annual General Meeting of this proposal is valid only if supported by shareholders representing at least 2/3 of both the votes cast and the votes represented at the meeting.

19. Resolution regarding adjustment authorization

The Board of Directors, the CEO or the person appointed by the Board of Directors, shall be authorized to make such minor amendments and clarifications of the resolution by the Annual General Meeting that may prove necessary in connection with registration of the resolutions.

Number of shares and votes

At the time of this notice, the total number of shares in the Company amounts to 52 142 434. The total number of votes amounts to 52 142 434. The Company holds no treasury shares.

Information

Where so requested by any shareholder and the Board of Directors deems that it can take place without serious harm to the Company, the Board of Directors and the CEO shall provide information regarding circumstances which may have an impact on the assessment of an item on the agenda and any circumstances which may have an impact on the assessment of the financial position of the Company. The obligation to provide information also refers to the Company's relationship to other Group companies and consolidated accounts as well as such relationships regarding Group companies that as referred to above. Information shall be provided if it can take place without serious harm to the Company. Such request from shareholders shall be made in writing by regular mail to the Company's office with address Ruskvädersgatan 12, 418 34 Göteborg, or via e-mail to marten.wikforss@powercell.se no later than 12 April 2021. The information shall be available at the Company's head office with address Ruskvädersgatan 12, 418 34 Göteborg and on the Company's website www.powercell.se no later than 17 April 2021. Information will also be sent within the same time to shareholders who requested information and provided their address.

Annual report and other documents

Accounting documents, auditors' report and other documents to be considered at the Annual General Meeting will be available at the Company's office at Ruskvädersgatan 12, 418 34 Göteborg and on the Company's website, www.powercell.se, no later than three weeks prior to the Annual General Meeting. The documents are also be forwarded free of charge to the shareholders who request it and provide their address.

Processing of personal data

For information on how your personal data is processed, see
<https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.



Göteborg in March 2021

Powercell Sweden AB (publ)

The Board of Directors

About PowerCell Sweden AB (publ)

PowerCell Sweden AB (publ) develops and produces fuel cell stacks and systems for stationary and mobile applications with a world class energy density. The fuel cells are powered by hydrogen, pure or reformed, and produce electricity and heat with no emissions other than water. As the stacks and systems are compact, modular and scalable, they are easily adjusted to any customer need.

PowerCell was founded in 2008 as an industrial spinout from the Volvo Group. The share (PCELL) is since 2014 subject to trade at Nasdaq First North Growth Market, Stockholm. G&W Fondkommission is Certified Adviser, e-mail: ca@gwkapital.se, phone: +46 8 503 000 50.