

Notice of Extra General Meeting in Ovzon (publ)

The shareholders of Ovzon AB (publ), reg. no. 559079-2650, (the "Company"), are hereby convened to the extra general meeting to be held on Monday 18 May 2020, at 10.00 at the Company's premises at Anderstorpsvägen 10 in Solna.

Information with respect to the coronavirus

Due to the development of the coronavirus the goal is that the extra general meeting shall be swift and effective to minimize spread of disease. Shareholders should carefully consider the possibility to vote in advance, please see below, as well as the possibility of participating by way of proxy. Shareholders who display symptoms of infection (dry cough, fever, respiratory distress, sore throat, headache, muscle and joint ache), have been in contact with people displaying symptoms, have visited a risk area, or belong to a risk group, are in particular encouraged to utilize such possibility. The board of directors of the Company has resolved on the following measures to minimize the risk of the spread of the coronavirus at the extra general meeting:

- Possibility to vote in advance and participate remotely via video.
- Registration for the general meeting will commence at 09.45.
- External guests will not be invited.
- No food or refreshments will be served.

The Company follows the development and the recommendations of the authorities and will, if necessary, update the information about the extra general meeting on the Company's website, www.ovzon.com

Right to attend the extra general meeting and notice

Shareholders wishing to attend the extra general meeting must:

- i. on the record date, which is Tuesday 12 May 2020, be registered in the share register maintained by Euroclear Sweden AB. Shareholders, whose shares are registered in the name of a nominee, must temporarily register the shares in their own name at Euroclear Sweden AB. Shareholders whose shares are registered in the name of a nominee, therefore must, no later than on Tuesday 12 May 2020, via their nominee, temporarily register the shares in their own name in order to be entitled to participate at the general meeting; and
- ii. notify the participation at the general meeting no later than Tuesday 12 May 2020. Notice of participation at the general meeting shall be sent by regular mail to EGM, Ovzon AB (publ), Baker & McKenzie Advokatbyrå KB, Attn: Ian Gulam, Box 180, 101 23 Stockholm or by e-mail to ian.gulam@bakermckenzie.com. Upon notification, the shareholder should state their full name, personal identification number or corporate registration number, address and telephone number, and, where applicable, details of representatives, proxy holders and advisors. A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the registration certificate or corresponding document ("Registration Certificate") shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. The proxy in original and the Registration Certificate, if any, must be available at the general meeting and a copy should be sent to the Company by regular mail or e-mail at the address stated above, and should, in order to facilitate the entrance to the general meeting, be at the Company's disposal no later than on Tuesday 12 May 2020. A form proxy will be available for downloading on the Company's website www.ovzon.com.

Advance voting

The shareholders may exercise their voting rights at the general meeting by voting in advance, so called postal voting in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. The Company encourages the shareholders to use this opportunity in order to minimize the number of participants attending the general meeting in person and thus reduce the spread of the infection.

A special form shall be used for advance voting. The form is available on www.ovzon.com. A shareholder who is exercising its voting right through advance voting do not need to notify the Company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be submitted to the Company no later than on Tuesday 12 May 2020. The completed and signed form shall be sent to the address stated under "Right to attend the general meeting and notice" above. A completed form may also be submitted electronically and is to be sent to ian.gulam@bakermckenzie.com. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The same apply for shareholders voting in advance by proxy. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid.

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

Attend remotely

The shareholders might attend the extra general meeting either physically, in person or by proxy, or remotely (via video conference) and vote in advance. Those who are willing to attend the extra general meeting remotely and would like to utilize their voting rights cannot do so by video conference and must instead participate via proxy or vote in advance to utilize their voting rights. The Company will distribute the video conference details to the shareholders that have notified the Company of their intention to attend the general meeting remotely, no later than on Friday 15 May 2020.

Proposed agenda

1. Opening of the meeting and election of the chairman of the general meeting
2. Preparation and approval of voting list
3. Approval of the agenda
4. Election of one person to certify the minutes
5. Determination of whether the general meeting has been duly convened
6. Resolution regarding approval of the board of directors' resolution to issue shares
7. Resolution regarding approval of the board of directors' resolution for rights issue
8. Resolution to implement a warrant based incentive program for all employees
 - A. Resolution to issue warrants of series 2020/2023:2
 - B. Resolution on approval of transfer of warrants of series 2020/2023:2 to employees
9. Closing of the meeting

Proposals for resolutions:

Item 1: Opening of the meeting and election of the chairman of the general meeting

The board of directors proposes that Joakim Falkner, attorney at law, Baker & McKenzie Advokatbyrå, is appointed as chairman of the general meeting.

Item 6: Resolution regarding approval of the board of directors' resolution to issue shares

The board of directors proposes that the extra general meeting resolves to approve the board of directors' resolution to issue a maximum of 7,446,809 shares, without preferential rights for the Company's shareholders dated on 29 April 2020 in accordance with the following:

The total increase of the Company's share capital can amount to a maximum of SEK 744,680.90.

The subscription price for the new shares shall be SEK 47 per share, which is based on bilateral negotiations with investors carried out by the Company and Carnegie Investment Bank AB ("Carnegie"), in total SEK 350,000,023 if all shares are subscribed for. The board of directors' assessment is therefore that the subscription price in the new share issue is in accordance with market conditions.

Right to subscribe for the new shares, with deviation from the shareholders' preferential rights, shall be attributed to the investors who have notified the Company and Carnegie of their interest in the new share issue.

Subscription shall be made at a subscription list no later than on 19 May 2020. The board of directors is entitled to extend the subscription period.

Payment for subscribed shares shall be made to a designated account no later than 21 May 2020. The board of directors is entitled to extend the last day for payment.

The new shares will entitle to dividends for the first time on the record date for dividends that occurs following the registration of the new shares with the Swedish Companies Registration Office and Euroclear Sweden AB.

The reason for the new share issue of shares, with deviation from the shareholders' preferential rights, is that it is considered beneficial for the Company and its shareholders to further diversify the institutional shareholder base and utilize the opportunity to raise capital to the Company at attractive terms and to replace the previous junior loan commitment with equity for an increased financial stability.

The board of directors or anyone appointed by the board of directors is given the right to make the adjustments necessary in connection with the registration of the resolution at the Companies Registration Office and Euroclear Sweden AB.

Item 7: Resolution regarding approval of the board of directors' resolution for rights issue

The board of directors proposes that the extra general meeting resolves to approve the board of directors' resolution to issue a maximum of 3,853,724 shares, with preferential rights for the Company's shareholders dated on 29 April 2020 in accordance with the following:

The total increase of the Company's share capital can amount to a maximum of SEK 385,372.40.

The subscription price for the new shares is SEK 40 per share, in total SEK 154,148,960 if all shares are subscribed for.

Each shareholder who on the record date 29 May 2020 is recorded as a holder of shares in the share register kept by Euroclear Sweden AB shall have a preferential right, for each share held, respectively, to subscribe for new shares at a subscription price of SEK 40 per share. Shareholders receive one subscription right for each share held as of the record date. Eleven subscription rights entitles the holder to subscribe for one new share in the rights issue.

Subscription for shares with subscription rights shall be made by payment in cash during the period from 2 June 2020 up until and including 16 June 2020. Subscription for shares without subscription rights shall be made on a subscription list during the period from 2 June 2020 up until and including 16 June 2020. Payment for shares subscribed for shall be made no later than two days following issue of a transfer note that include a decision of allotment. The board of directors is entitled to extend the subscription period and the last day for payment.

If all of the shares are not subscribed for with subscription rights, the board will decide on allotment of shares subscribed for without subscription rights. Allotment will then be made firstly to persons who have applied for subscription without subscription rights and who have subscribed for shares with subscription rights, regardless of whether or not the subscriber was a shareholder on the record date, and in case of oversubscription, allocation shall be made in relation to the total number of shares allotted through exercise of subscription rights, and to the extent that this is not possible, by drawing of lots. Secondly, allocation shall be made to other persons who have applied for subscription without subscription rights, and in the case of oversubscription, pro rata to the number of shares subscribed for in the application form, and to the extent that this is not possible, by drawing of lots. Finally, allotment of the remaining shares shall be made to the investors who have provided guarantees and in accordance with the conditions of their respective guarantee.

The new shares will entitle to dividends for the first time on the record date for dividends that occurs following the registration of the new shares with the Swedish Companies Registration Office and Euroclear Sweden AB.

The board of directors or anyone appointed by the board of directors is given the right to make the adjustments necessary in connection with the registration of the resolution at the Companies Registration Office and Euroclear Sweden AB.

Item 8: Resolution to implement a warrant based incentive program for all employees

The board of directors proposes that the general meeting, resolves to implement a warrant based incentive program for all employees in the companies within the group in which the Company is the parent company (the "**Group**" and "**Warrant Program 2020/2023**" respectively) through (A) a resolution on a directed issue of warrants of series 2020/2023 to the Company's wholly owned subsidiary OverHorizon AB, reg. no. 556679-1181, (the "**Subsidiary**"), and (B) a resolution approving the transfer of warrants of series 2020/2023 from the Subsidiary to employees, as below. The Group has employees in Sweden and USA.

The proposed warrant program corresponds to the program adopted by the annual general meeting 1 April 2020. Due to the proposed rights issue the board of directors has resolved to cancel all warrants issued in accordance with the resolution from the annual general meeting and instead resolved to implement a new incentive program in accordance with the below.

The proposal for a resolution to implement Warrant Program 2020/2023 and the proposals under sections 8.A and 8.B, constitutes one overall proposal, which shall be resolved upon as one resolution.

8.A resolution to issue warrants of series 2020/2023:2

The board of directors proposes that the general meeting resolves to issue a maximum of 900,000 warrants of series 2020/2023:2 on the following terms and conditions:

With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by the Subsidiary, with right and obligation for the Subsidiary to transfer the warrants to employees in accordance with what is stated under item 8.B. The Subsidiary shall not have the right to dispose of the warrants in any other way than as stated under item 8.B below.

The reason for the deviation from the shareholders' preferential rights is to that the warrants should be used within the framework of the Warrant Program 2020/2023.

The warrants shall be issued to the Subsidiary without consideration.

Subscription of warrants shall be made on a separate subscription list on 17 June 2020 at the latest. The board of directors shall have the right to prolong the subscription period.

Each warrant entitles the holder to subscribe for one new share in the Company against cash payment at a subscription price corresponding to 200 percent of the volume weighted average price for the Company's share on Nasdaq First North Premier Growth Market during the period from 9 June 2020 up to and including 16 June 2020. The subscription price shall be rounded to the nearest entire öre, whereas 0.5 öre shall be rounded upwards.

The warrants may be exercised for subscription of shares during the period from 18 June 2023 up to and including 18 July 2023.

Shares issued upon exercise of the warrants confers right to dividends for the first time on the next record date for dividends which occurs after subscription is effected.

The full terms and conditions for the warrants of series 2020/2023:2 are held available at the Company and at the Company's website no later than two weeks before the meeting (the "**Warrant Terms**"). According to the Warrant Terms the subscription price and the number of shares which each warrant confers right to subscribe for may be recalculated in the event of a bonus issue, reverse share split or share split, new issue, issue of

warrants or convertibles and under some other circumstances. Further, the period for exercising the warrants may change to an earlier or later period/date under some circumstances.

If all warrants are subscribed for, all warrants are transferred to employees in accordance with the proposal under section B below and all warrants are exercised for subscription of shares, the Company's share capital will increase by SEK 90,000 (with reservation for eventual recalculations according to the Warrant Terms).

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

8.B Resolution on approval of transfer of warrants of series 2020/2023:2 to employees

The board of directors proposes that the general meeting resolves to approve that the Subsidiary, within the framework of the Warrant Program 2020/2023, transfers a maximum of 900,000 warrants of series 2020/2023 to employees in the Group on the following terms and conditions:

The right to acquire warrants from the Subsidiary shall be granted to all persons that on 1 June 2020 are employed in the Group as follows:

- a) The CEO of the Company (1 person) ("**Category 1**") shall be entitled to acquire 100,000 warrants.
- b) Other persons who are members of the Group management (maximum 6 persons) ("**Category 2**") shall be entitled to acquire 50,000 warrants each.
- c) Other employees (approximately 25 persons) ("**Category 3**") shall be entitled to acquire a maximum of 25,000 warrants each.

A person who has entered into an employment agreement with a company within the Group but has not yet taken up his/her employment as of the mentioned date, shall be regarded as employee.

An employee can give notice of acquisition of a lower, but not a higher, number of warrants than he/she is entitled to acquire.

Employees within Category 1 and Category 2 who gives notice of acquisition of warrants within the maximum limits set out in (a) and (b) above are guaranteed to acquire the number of warrants set out in the notice.

If the total number of warrants that employees within Category 3 want to acquire exceeds the number of warrants remaining after distribution to Category 1 and Category 2 as above, the remaining warrants shall in the first place be distributed equally among the employees in Category 3 who have given notice to acquire warrants (per person and not pro rata in relation to the number of warrants set out in their respective notice). However, no one shall be allotted more warrants than the number set out in his/her notice.

Transfer of warrants shall take place at market value at the time of the transfer. Calculation of the warrants market value shall be performed by an independent valuation institution, applying the Black & Scholes valuation model.

Notice of acquisition of warrants according to the above shall be received by the Company on 19 June 2020 at the latest. The board of directors shall have the right to prolong the notification period.

Payment for warrants to be acquired shall be made no later than 26 June 2020. The board of directors has the right to prolong the payment period.

A prerequisite for being entitled to acquire warrants from the Subsidiary is that the person is employed by a company within the Group at the time of the acquisition and that he/she at that time has neither given nor received any notice of termination of his/her employment. An additional prerequisite is that the acquisition of warrants can take place legally. A person who has entered into an employment agreement with a company within the Group but has not yet taken up his/her employment, shall be regarded as employee in this context.

Any warrants that are not acquired by/transferred to employees as above may be reserved in the Subsidiary for future recruitment and may, on instructions from the board of directors, on one or more occasions, but no later than 30 November 2020, be transferred to persons newly hired by companies within the Group, whereby the corresponding principles for allotment (number of warrants that may be acquired), prerequisites for the right to acquire warrants etc., as stated above, shall be applied. If such an offer is made, a new calculation of the market value of the warrants shall be made in order to determine at what value the transfer shall take place.

A general meeting in the Subsidiary shall also approve subsequent transfers of warrants in accordance with the above.

Additional information

The motive for the proposal and the reason for the deviation from the shareholders' preferential rights The motive for the proposal to implement Warrant Program 2020/2023 and the reason for the deviation from the shareholders' preferential rights, is to be able to offer employees in the companies within the Group an opportunity to take part in a growth in value in the Company's share, which can be expected to lead to increased commitment for the Company's operations and earnings, as well as increased motivation and sense of belonging with the Company. The board of directors considers that this may have a positive impact on the Company's continued development to the benefit of the Company and its shareholders.

Dilution and information regarding previous share related incentive programs

Per the day of this proposal there are 34,944,155 shares in the Company. Following completion of the share issues in accordance with item 6 and 7 the number of shares in the Company will amount to 46,244,688 shares.

In case all warrants that can be issued and transferred within the framework of Warrant Program 2020/2023 are transferred to employees and all warrants are utilized for subscription of shares, the number of shares and votes in the Company will increase by 900,000 (with reservation for eventual recalculations according to the Warrant Terms), which corresponds to a dilution of approximately 1.91 percent based on the number of shares after the completion of the share issues.

There are two outstanding share related incentive programs in the Company – one warrant program for employees in Sweden ("Warrant Program 2018/2021") and one employee stock option program for employees in USA ("Employee Stock Option Program 2018/2021").

There are 145,000 outstanding warrants under the Warrants Program 2018/2021. After recalculations due to the new issue in January 2019, each such warrant entitles the holder to subscribe for 2.02 new shares in the Company at a subscription price of SEK 59.41 during the period from 15 May 2021 up to and including 15 June 2021.

There are 143,000 outstanding employee stock options under Employee Stock Option Program 2018/2021. After recalculations due to the new issue in January 2019, each such employee stock option entitles to acquisition of 2.02 shares in the Company at a price of SEK 59.41 per share. The employee stock options will be vested over a three-year period and they can be exercised no later than on 15 June 2021. Delivery of shares under the program has been hedged through warrants held by the Subsidiary.

If (i) all warrants that can be issued and transferred under the Warrants Program 2020/2023 are transferred to employees and all warrants are exercised for subscription of shares, (ii) all outstanding warrants under Warrants Program 2018/2021 are exercised for subscription of shares and (iii) all outstanding employee stock options under Employee Stock Option Program 2018/2021 are vested and exercised for acquisition of shares (new shares via the hedging solution), the number of shares and votes in the Company will increase by 1,481,760 in total (with reservation for eventual recalculations according to the warrant terms for each program), which corresponds to a dilution of approximately 3.10 percent in total based on the number of shares after the completion of the share issues.

The dilution effects have been calculated as the number of additional shares and votes in relation to the number of existing shares and votes plus the number of additional shares and votes and based on the number of shares after the completion of the share issues.

Costs and effects on key figures

The market value of a warrants of series 2020/2023:2 is, according to a preliminary valuation based on a market value of the underlying share of SEK 46, SEK 2,45 per warrant, assuming a subscription price of SEK 92 per share, a volatility of 35 percent and a risk-free interest rate of -0.3 percent. The preliminary valuation is based on assumptions. When transferring warrants to employees, the market value will be determined based on updated assumptions and then known parameters.

Since the warrants in the Warrants Program 2020/2023 shall be transferred at market value at the time of the transfer, the Warrants Program 2020/2023 is not expected to incur any costs for the Company when it comes to employees residing in Sweden.

When it comes to employees residing in USA, the Warrants Program 2020/2023 will incur costs for the Company in the form of social security contributions and accounting costs, since they according to US law are equated with employee stock options. The total costs for social security contributions will depend partly on the number of warrants that employees residing in USA acquire and exercise for subscription of shares, and partly on the market value of the Company's share at the time of exercise of the warrants in 2023. In case all employees residing in USA acquires all warrants that they will be offered to acquire and exercises all warrants for subscription of shares, the costs incurred by the Company are, at an assumed market value of SEK 140 on the Company's share at the time of exercise, estimated to amount to a maximum of SEK 1.7 million. Accounting costs in accordance with IFRS 2 are estimated to amount to approximately SEK 1.1 million, distributed over the term of the warrants.

Costs in the form of fees to external advisers and costs for administering the program are estimated to amount to approximately SEK 150,000.

The warrants are expected to have a marginal effect on the Company's key figures.

Preparation of the proposal

The proposal for a resolution to implement Warrant Program 2020/2023 and the proposals under sections A and B above have been prepared by the board of directors together with external advisers. It is noted that the CEO of the Company, who is also a member of the board of directors, has not participated in the board of directors' preparation of the proposal, as he, as an employee, is comprised by the proposal.

Majority requirements

A resolution in accordance with item 6 is valid where supported by shareholders representing at least two thirds of the votes cast and the shares represented at the general meeting.

The resolutions in accordance with item 8 regarding issue of warrants and approval of subsequent transfer of warrants are subject to the provisions of Ch. 16 of the Swedish Companies Act and valid resolutions therefore require that these proposals are supported by shareholders representing at least nine tenths of the votes cast and the shares represented at the general meeting.

Number of shares and votes

The total number of shares in the Company as of the date hereof amounts to 34,944,155 shares, with a corresponding number of votes. The Company holds no shares of its own.

Further information

A proxy form, complete proposals and other documents that shall be available in accordance with the Swedish Companies Act are available at the Company at Anderstorpsvägen 10 in Solna and at the Company's website www.ovzon.com, at least two weeks in advance of the extra general meeting and will be sent to shareholders who request it and provide their e-mail or postal address.

The shareholders hereby notified regarding the right to, at the extra general meeting, request information from the board of directors and managing director according to Ch. 7 § 32 of the Swedish Companies Act.

Processing of personal data

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammorengelska.pdf>.

Solna in April 2020
Ovzon AB (publ)
The board of directors