

Press release, 22 March 2021

Notice to attend the Annual General Meeting of Semcon AB (publ)

Shareholders of Semcon AB (publ), corporate identity number 556539-9549, with its registered office in Göteborg, are hereby invited to participate in the Annual General Meeting on Thursday, 29 April 2021.

INFORMATION RELATED TO COVID-19

The company is mindful of the health and well-being of its shareholders and employees. It is important for Semcon to take social responsibility and contribute to reduce the risk of transmissions of COVID-19. Due to the extraordinary situation, the Annual General Meeting will be carried out through mandatory advance voting [postal voting] pursuant to temporary legislation. Thus, it will not be possible to attend in person or through proxy at the Annual General Meeting. Information about the resolutions adopted at the Annual General Meeting will be published on the same day as the Annual General Meeting as soon as the outcome of the vote is finally compiled.

A statement by the CEO will be published on the company's website in conjunction with the Annual General Meeting.

PARTICIPATION IN THE ANNUAL GENERAL MEETING AND REGISTRATION

Shareholders who wish to participate, by advance voting, at the Annual General Meeting shall:

- **firstly**, be entered in their own name in the share register maintained by Euroclear Sweden AB as of Wednesday, 21 April 2021,
- **secondly**, cast their advance vote in accordance with the instructions under "Advance voting" below so that the advance vote is received by the company no later than on Wednesday, 28 April 2021.

Information submitted during registration will be processed and used solely for the Annual General Meeting. See below for additional information about the processing of personal data.

SHARES REGISTERED TO TRUSTEES

Shareholders whose shares are registered in the name of a trustee and who would like to attend the Annual General Meeting must temporarily re-register their shares in their own name. Re-registration must be requested from the trustee and be executed at Euroclear Sweden AB not later than Friday, 23 April 2021.

Semcon is an international technology company. We turn technology into excellent user experiences by combining digital edge and engineering expertise. With diverse multi-disciplinary teams we add new perspectives creating sustainable and competitive businesses. Regardless of if you aim to recharge a current product or service, reinvent new technology or reimagine future needs, our focus is always on human needs and behaviour in order to develop solutions with the clearest benefits to people and our planet. By combining our 40 years of advanced engineering, strategic innovation, digital services and product information solutions, we drive transformation in a wide range of industries with more than 1,800 dedicated employees based in seven different countries. Read more on [semcon.com](https://www.semcon.com)

Shareholders who request such re-registration must notify their trustees well in advance of this date.

ADVANCE VOTING

Shareholders may exercise their voting rights at the Annual General Meeting only by voting in advance, so-called postal voting pursuant to Section 22 of the Act [2020:198] on temporary exemptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on www.semcon.com. The advance voting form is considered as the notification of attendance to the Annual General Meeting. The completed voting form must be received by Semcon no later than on Wednesday, 28 April 2021. The completed form shall be sent to: Semcon AB, attn: Annika Tedenhag, 417 80 Göteborg, Sweden. A completed form may also be submitted by e-mail and is then to be sent to annika.tedenhag@semcon.com. If the shareholder is a legal entity, a certificate of incorporation or a corresponding 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 vote [i.e., the advance vote in its entirety] is invalid.

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

NUMBER OF SHARES AND VOTES

There are 18,112,534 shares and votes in the company. All shares are ordinary shares. On the date of publication of the notice to participate, the company holds 698,772 own shares. The company may not vote using its own shares.

PROPOSED AGENDA

1. Opening of the Annual General Meeting
2. Election of Chairman of the Annual General Meeting
3. Drafting and approval of the voting list
4. Approval of the agenda
5. Election of two people to approve the minutes together with the Chairman
6. Review as to whether the Annual General Meeting has been duly convened
7. Presentation of the Annual Report, auditors' report and consolidated accounts and consolidated auditors' report
8. Decision regarding adoption of the income statement and balance sheet and the consolidated income statement and the consolidated balance sheet
9. Decision regarding appropriation of the company's profits according to the adopted balance sheet
10. Decision regarding discharge of liability for the Board members and the CEO
11. Decision regarding the number of Board members and deputies

12. Decision regarding number of auditors and deputy auditors or registered public accounting firm
13. Determination of remuneration to the Board
14. Determination of remuneration to the auditors
15. Election of the Chairman of the Board, Board members and possible deputies
16. Election of auditors and any deputy auditors or registered public accounting firm
17. Decision regarding changes to the Articles of Association
18. Presentation and approval of the Board's remuneration report
19. Decision to authorise the Board to decide on new issues of shares
20. A) Decision to authorise the Board to decide on the acquisition of the company's own shares
B) Decision to authorise the Board to decide on the transfer of own shares
21. A) Decision on introducing a long-term Performance-based Share Savings Scheme 2021 for senior executives and key employees
B) Decision regarding authorising the Board to transfer own ordinary shares to participants in the Performance-based Share Savings Scheme 2021
C) Share swap agreement with a third party
22. Other matters
23. Closing of the Annual General Meeting

PROPOSED RESOLUTIONS

Item 2 - Election of Chairman of the Annual General Meeting

The Nomination Committee, which was appointed in accordance with the procedure resolved on by the 2019 Annual General Meeting and applies until further notice, comprises Karin Dennford [JCE Group Aktiebolag] Chairman of the Nomination Committee, Mats Andersson [Nordea Investment Funds], Johan Hagberg and the Chairman of the Board, Tore Bertilsson [co-opted member], who together represent about 38.6 per cent of the votes for all shares in the company as of 31 August 2020. The Nomination Committee proposes the Chairman of the Board, Tore Bertilsson, as Chairman of the Annual General Meeting.

Item 9 - Decision regarding appropriation of the company's profits according to the adopted balance sheet

The Board proposes that the funds available to the Annual General Meeting, SEK 343,933,637, are carried forward to a new account and that no dividend be paid to shareholders.

Item 11 - Decision regarding the number of Board members and deputies

The Nomination Committee proposes that there be five Board members elected by the Annual General Meeting and no deputies.

Item 12 - Decision regarding number of auditors and deputy auditors or registered public accounting firm

The Nomination Committee proposes that a registered public accounting firm be appointed auditor of the company.

Item 13 - Determination of remuneration to the Board

The Nomination Committee proposes, like last year, a total remuneration of SEK 1,785,000 be paid to Board members elected by the Annual General Meeting, of which SEK 625,000 to the Chairman and SEK 290,000 to each of the other members elected by the Annual General Meeting. Furthermore, the Nomination Committee proposes that no special fees be paid for work on Board committees.

Item 14 - Determination of remuneration to the auditors

The Nomination Committee proposes that the fee paid to the auditor be made on open account, approved by the company.

Item 15 - Election of Chairman of the Board, Board members and possible deputies

The Board's current Chairman, Tore Bertilsson, has declined re-election.

The Nomination Committee proposes the re-election of Carl Backman, Eva Elmstedt, Jeanette Reuterskiöld and Karl Thedéen as Board members. The Nomination Committee proposes Carsten Browall as new Board member.

The Nomination Committee proposes Eva Elmstedt as new Chairman of the Board.

More information about the Board members proposed for re-election is available on the company's website, www.semcon.com.

The proposed Board members are considered independent in relation to the company, company management and major shareholders in the company, with the exception of Carl Backman who is deemed to be dependent in relation to a major shareholder in the company as he is CEO of a company that is a large shareholder in Semcon. The Nomination Committee's reasoned statement regarding the proposed Board members and information about the proposed Board members are available on the company's website, www.semcon.com. The statement also contains a brief account of how the Nomination Committee's work was conducted.

Item 16 - Election of auditors and any deputy auditors or registered public accounting firm

The 2020 Annual General Meeting elected Ernst & Young Aktiebolag as auditor of the company until the close of 2021 Annual General Meeting. The Nomination Committee proposes that the registered auditing firm Ernst & Young Aktiebolag be elected as auditor until the close of the next Annual General Meeting, in

accordance with the recommendation received by the Nomination Committee from the Board.

Item 17 - Decision regarding changes to the Articles of Association

The Board of Directors proposes that the Annual General Meeting resolves to adopt an updated Articles of Association in accordance with the following [changes in bold in the table]:

Provision	Current wording	Proposed wording
§1	The registered name of the company is Semcon AB. The company is a public limited liability company [publ].	The name of the company is Semcon AB. The company is a public limited liability company [publ].
New provision - §18	-	The Board of Directors may collect powers of attorney in accordance with the procedures stipulated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act [2005:551]. Prior to a General Meeting of Shareholders, the Board of Directors may resolve that shareholders shall be able to exercise their voting rights by post before the General Meeting of Shareholders.

The Board's proposal for a new Articles of Association is available from the company and at www.semcon.com.

Item 18 - Presentation and approval of the Board's remuneration report

The Board of Directors proposes that the Annual General Meeting resolves to approve the remuneration report prepared by the Board for the 2020 financial year.

Item 19 - Decision to authorise the Board to decide on new issues of shares

The reason for the proposal, and the reason for deviating from preferential rights for existing shareholders, is that the Board wishes to create cost-efficient and flexible opportunities for making payments for acquisitions of companies or businesses or parts thereof. The Board proposes that the Annual General Meeting authorise the Board, up to the time of the next Annual General Meeting, on one or more occasions, to decide on the new issue of ordinary shares in the company on the following conditions:

- 1) New shares may only be issued to enable use of ordinary shares as liquidity in the acquisition of companies or businesses or parts thereof.

- 2) New shares shall be issued with deviation from existing shareholders' preferential rights.
- 3) The new share issue may comprise a maximum of 1,811,253 ordinary shares.
- 4) The subscription price is to correspond to the ordinary share's assessed market value at the time of issue.
- 5) Payment for the subscribed ordinary shares in the company is to be in capital contributed in kind.
- 6) The Board has the right to set other conditions for new issues.

On full utilisation of the authorisation to issue new shares, the total number of shares and votes in the company can increase by 1,811,253, representing dilution of around ten per cent of current shares and votes.

The proposal is identical to the previous year's authorisation from the Annual General Meeting.

Item 20 - Decision to authorise the Board to decide on the acquisition and transfer of the company's own shares

The reason for the proposal, and the reason for deviating from preferential rights for existing shareholders, is that the Board wishes to create cost-efficient and flexible opportunities to: [i] improve the company's capital structure and thereby increase share value and [ii] to make payments for acquisitions of companies or businesses or parts thereof.

A. Decision to authorise the Board to decide on the acquisition of own shares

The Board proposes that the Annual General Meeting authorise the Board, up to the time of the next Annual General Meeting, on one or more occasions, to decide on the acquisition of ordinary shares in the company on the following conditions:

- 1) Purchases are only to be made to [i] improve the company's capital structure and [ii] to enable use of ordinary shares as liquidity in making payments for acquisition of companies or businesses or parts thereof.
- 2) Purchases may only be made on Nasdaq Stockholm or through purchase offers directed to all owners of ordinary shares in the company.
- 3) Purchases of ordinary shares in the company on each occasion are to represent a maximum of ten per cent of all shares in the company following the purchase.
- 4) Purchases on Nasdaq Stockholm shall be at a price per share within the current share price range for ordinary shares, or in the event that the Board assigns a stock exchange member to accumulate a specific amount of the company's shares in their own account for a specific period, at a price per share within a specified price range for the period or equivalent volume-weighted average share price, and purchases linked with an acquisition offer are to be made at a maximum price per share equivalent to

the market price of the ordinary share in the company at the date of the offer plus an additional amount of not more than 20 per cent.

- 5) Payment for ordinary shares shall be made in cash.
- 6) The appropriate terms in the listing agreement with Nasdaq Stockholm shall be observed for purchases.
- 7) The Board has the right to set other conditions for purchases.

B. Decision to authorise the Board to decide on the transfer of own shares

The Board proposes that the Annual General Meeting authorises the Board, up to the time of the next Annual General Meeting, on one or more occasions, with deviation from shareholders' preferential rights, to decide on the transfer of ordinary shares in the company on the following conditions:

- 1) Transfers may only be made to use ordinary shares as liquidity for acquisition of companies and businesses or parts thereof.
- 2) Transfers on each occasion may be for the total number of ordinary shares owned by the company.
- 3) Transfers are to be made at a price corresponding to the ordinary share's assessed market value in connection with transfer.
- 4) Payment for ordinary shares is to be in capital contributed in kind.
- 5) The Board has the right to set other conditions for transferring shares.

Item 21 - Decision on introducing a long-term performance-based share savings scheme for senior executives and key employees, including the authorisation of the Board to transfer own ordinary shares to participants in the programme, etc.

Background and reasons for the proposal

The reason for the proposal, and the reason for deviating from preferential rights for existing shareholders, is that the Board of the company wishes to create the conditions to retain and recruit senior executives and key employees to the Semcon Group by increasing share ownership among these individuals. Employees' share ownership in Semcon is expected to stimulate an increased interest in operations and the earnings trend, to raise motivation, increase the sense of loyalty to the company (and its subsidiaries) and to create a Group-wide focus. In light of this, a decision to introduce a long-term performance-based share savings scheme in accordance with the proposal ["Performance-based Share Savings Scheme 2021"] is expected to have a positive impact on the continued development of the Semcon Group and thus benefit both shareholders and employees in the Semcon Group who participate in the programme.

The 2017 and 2018 Annual General Meetings agreed to introduce the Performance-based Share Savings Scheme 2017 and the Performance-based Share Savings Scheme 2018, which will end in 2021 and 2022, respectively. The conditions for the Performance-based Share Savings Scheme 2021 correspond to the conditions for the

earlier share savings schemes for 2017 and 2018, with the exception of the performance criteria and the number of individuals offered participation in the programme. Approximately 25 senior executives and key employees will be offered to participate in the Performance-based Share Savings Scheme 2021 [compared with the programmes in 2017 and 2018 when a total of 21 senior executives and key employees participated]. The performance criteria for the programmes in 2017 and 2018 used Semcon’s average annual percentage increase in earnings per share [EPS], while the Performance-based Share Savings Scheme 2021 is based on three performance criteria as referred to in the table below. The Board is still of the opinion that the structure of the programme supports the aim. Consequently, and as the investment period for both the Performance-based Share Savings Scheme 2017 and Performance-based Share Savings Scheme 2018 have expired, the Semcon Board proposes that a new share savings scheme be established in accordance with the conditions below.

The Performance-based Share Savings Scheme 2021 will include a maximum of 100,000 ordinary shares equivalent to a maximum of 0.55 per cent of the number of issued shares and voting rights on the date of the Annual General Meeting. In conclusion, about 25 senior executives and key employees in the Semcon Group will be invited to participate in the programme through investments for 12 months from the date on which the programme will be implemented. Participation requires own investment equivalent to at most 10 per cent of the participant’s gross salary for the purchase of ordinary shares. On the condition that the shares purchased by the employee are retained for three years, then the employee will receive the same amount of ordinary shares [“matching shares”] free of charge and, as long as performance requirements have been met, then a further two to four ordinary shares [“performance shares”] will be issued for each purchased share.

The stipulated conditions, in addition to the requirement that the employee must retain the purchased shares for three years, for receiving performance shares is based on the following:

	Performance criteria for the Performance-based Share Savings Scheme 2021	Relative weighting
	Average annual sales growth between 2021-2023: Minimum level: 7.5 per cent Maximum level: 15 per cent The maximum number of performance-based shares in accordance with Item 1 [relative weighting 25 per cent] will be issued if the average annual sales growth for Semcon Group for the 2021-2023 financial years is 15 per cent or more [<i>maximum level</i>]. Performance shares will not be issued if the average annual sales growth is equal to or less than 7.5 per cent [<i>minimum level</i>].	25%
	Average annual EBITA margin between 2021-2023: Minimum level: 8 per cent Maximum level: 12 per cent	25%

	<p>The maximum number of performance-based shares in accordance with Item 2 [relative weighting 25 per cent] will be issued if the Semcon Group's average annual EBITA margin for the 2021-2023 financial years is 12 per cent or more [<i>maximum level</i>]. Performance shares will not be issued if the average annual EBITA margin is equal to or less than 8 per cent [<i>minimum level</i>].</p> <p>The annual EBITA margin may be adjusted by the Board for non-operational non-recurring items.</p>	
	<p>Relative total return on the company's share compared with the Reference Group for 2021-2023: Minimum level: the median of the Reference Group's total return Maximum level: 10 per cent above the median of the Reference Group's total return</p> <p>The maximum number of performance-based shares in accordance with Item 3 [relative weighting 50 per cent] will be issued if the total return for the company's share including any dividend and share price development for the 2021-2023 period is more than 10 per cent above the median for the Reference Group's total return [<i>maximum level</i>]. Performance shares will not be issued if the median for the total return for the company's share is equal to or less than the median for the Reference Group's total return [<i>minimum level</i>].</p> <p>Total return will be measured on the basis of the volume-weighted average market price for the 20 days of trading preceding 1 January 2021 and the volume-weighted average market price for the 20 days of trading preceding 31 December 2023.</p> <p>The Reference Group is determined by the Semcon Board.</p>	50%

Matching of performance-based shares shall be linear between the *minimum level* and the *maximum level* as stipulated for each performance criteria in 1-3 above.

In accordance with earlier authorisation granted by the Annual General Meeting to the Board, Semcon has previously acquired own shares on Nasdaq Stockholm to ensure the supply of shares to participants within the framework of the earlier performance-based share savings schemes. All of the repurchased shares for earlier share savings schemes have not been used to fulfil the obligations towards participants in the earlier performance-based share savings schemes. In addition, Semcon has in accordance with authorisation granted by the Annual General Meetings in 2017, 2018 and 2019, acquired own shares on Nasdaq Stockholm to improve the company's capital structure. The total current holding of own shares held by Semcon is considered to cover the number of ordinary shares needed to fulfil obligations under previously approved Performance-based Share Savings

Schemes 2017 and 2018 and the Performance-based Share Savings Schemes 2021 as now proposed.

Safeguarding measures and financing

The Board has observed various safeguarding measures for the transfer of ordinary shares to employees as part of the Performance-based Share Savings Scheme 2021, such as the transfer of own shares and a share swap agreement with a third party.

The Board believes the transfer of own ordinary shares is the most cost-efficient and flexible method to transfer ordinary shares for the Performance-based Share Savings Scheme 2021.

The company's current holding of own ordinary shares amounts to 698,772 ordinary shares, which will be used for both the Performance-based Share Savings Scheme 2017, the Performance-based Share Savings Scheme 2018 and the Performance-based Share Savings Scheme 2021. For more information, see the heading "Proposal for a decision" below.

As costs for a share swap agreement significantly exceed costs for the transfer of own ordinary shares, the main alternative proposed is that financial exposure and supply to participants under the Performance-based Share Savings Scheme 2021 be secured by the transfer of own shares.

Costs

A preliminary cost estimate for the Performance-based Share Savings Scheme 2021 is based on the assumption of 100 per cent support for the programme, an expected employee turnover among participants of 5 per cent per year and that each participant makes an own investment equivalent to his or her highest permitted amount. The value of the matching shares and performance shares has been estimated based on a share price of SEK 94 [equivalent to the share price as of 19 March 2021] at the launch of the programme including a deduction for the current value of the estimated dividend for the 2021-2023 financial years. Estimated social security contributions are based on an assumed average share price at issue of SEK 125, which entails an annual rise in share price of 10 per cent.

The total effect on the income statement is expected to amount to a minimum of about SEK 3 million to a maximum of SEK 9 million, including social security contributions and administrative expenses, unevenly distributed during 2021-2025. The effect is dependent on the issue of performance shares where a maximum of SEK 9 million relates to estimated costs for the full issue of performance shares and a minimum of SEK 3 million relates to estimated costs with no issue of performance shares. Expenses should be viewed in relation to total salary costs in 2020 for companies currently included in the Semcon Group, which amounted to SEK 1,092 million including social security contributions.

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Of the above-mentioned total costs, compensation expenses, equivalent to the value of ordinary shares transferred to employees, are estimated at a minimum of about SEK 2 million and a maximum of SEK 6 million. In addition, administrative expenses and costs for social security contributions is estimated at between SEK 1 and 3 million.

To the extent that share swap agreements are signed to safeguard commitments in the programme, costs are expected to rise by about SEK 1 million.

Dilution and impact on key figures

There are 18,112,534 issued shares in the company. As of 22 March 2021, the company held 698,772 own ordinary shares, which is sufficient to cover the company's obligations for the Performance-based Share Savings Scheme 2017, the Performance-based Share Savings Scheme 2018 and the Performance-based Share Savings Scheme 2021.

Of the total 100,000 ordinary shares required for the Performance-based Share Savings Scheme 2021, all ordinary shares can be transferred free of charge to employees, which may lead to a dilution of earnings per share of 0.55 per cent. The dilution effect of ordinary shares is independent of the share price on the matching date, since they are transferred free of charge to employees.

Preparation of the proposal

This proposal has been drawn up by the Board supported by external advisers and certain large shareholders have been informed. With the exception of the officials who have drafted this issue for the Board, no employee who may participate in the Performance-based Share Savings Scheme 2021 has taken part in the preparation of the terms and conditions. The CEO has not taken part in drafting this issue.

PROPOSAL FOR A DECISION

A. Decision on introducing a Performance-based Share Savings Scheme 2021

The Board proposes that the Annual General Meeting resolves on the introduction of a Performance-based Share Savings Scheme 2021 including the issue of up to 100,000 ordinary shares, largely in accordance with the following guidelines:

- 1] About 25 key employees in the Semcon Group, with the exception of what is specified in Item 3] below, will be invited to take part in the Performance-based Share Savings Scheme 2021.

2) Employees who participate in the Performance-based Share Savings Scheme 2021 can save an amount equivalent to 10 per cent [category 2 below] or 5 per cent [category 1 below] respectively of their fixed gross salary to purchase ordinary shares on Nasdaq Stockholm over a 12-month period from the date the scheme is implemented. If the shares bought by the employee are retained for three years from the time of the investment and employment, or equivalent employment, within the Semcon Group throughout the entire three-year period, then the employee will receive the same amount of matching shares from the Semcon Group and – as long as performance requirements have been met in accordance with Item 4 – then a further two to four performance shares will be issued for each share acquired as follows.

Category 1 Approximately 20 senior executives and key employees, e.g. management teams for the Semcon Group's business areas, may have the right to additional matching of up to two performance shares for each share acquired.

Category 2 Approximately 5 senior executives in Semcon's Group management may have the right to additional matching of up to four performance shares for each share acquired.

The Board, or the person(s) the Board appoints, will choose which managers and other key employees in the Semcon Group and which senior executives, including management teams for Semcon Group's business areas, are to be invited to take part in the programme [Category 1]. The Board is to choose which senior executives in Semcon's Group management are to be invited to take part in the programme [Category 2].

The Board is to have the right to allow early matching, meaning matching despite not fulfilling the three-year requirement for the holding period or employment, although only in good-leaver situations.

3) Participation in the Performance-based Share Savings Scheme 2021 requires in part that participation can legally take place, and in part that participation in the company's assessment is possible with reasonable administrative expenses and economic effort. The Board has the right to introduce an alternative incentive solution for employees in countries where participation in the Performance-based Share Savings Scheme 2021 is not suitable. This type of alternative incentive solution shall, as far as practically possible, be designed with equivalent terms and conditions as the Performance-based Share Savings Scheme 2021.

4) The terms and conditions for receiving performance shares as part of the Performance-based Share Savings Scheme 2021 are based on the following:

	Performance criteria for the Performance-based Share Savings Scheme 2021	Relative weighting
	<p>Average annual sales growth between 2021-2023: Minimum level: 7.5 per cent Maximum level: 15 per cent</p> <p>The maximum number of performance-based shares in accordance with Item 1 [relative weighting 25 per cent] will be issued if the average annual sales growth for Semcon Group for the 2021-2023 financial years is 15 per cent or more [<i>maximum level</i>]. Performance shares will not be issued if the average annual sales growth is equal to or less than 7.5 per cent [<i>minimum level</i>].</p>	25%
	<p>Average annual EBITA margin between 2021-2023: Minimum level: 8 per cent Maximum level: 12 per cent</p> <p>The maximum number of performance-based shares in accordance with Item 2 [relative weighting 25 per cent] will be issued if the Semcon Group's average annual EBITA margin for the 2021-2023 financial years is 12 per cent or more [<i>maximum level</i>]. Performance shares will not be issued if the average annual EBITA margin is equal to or less than 8 per cent [<i>minimum level</i>].</p> <p>The annual EBITA margin may be adjusted by the Board for non-operational non-recurring items.</p>	25%
	<p>Relative total return on the company's share compared with the Reference Group for 2021-2023: Minimum level: the median of the Reference Group's total return Maximum level: 10 per cent above the median of the Reference Group's total return</p> <p>The maximum number of performance-based shares in accordance with Item 3 [relative weighting 50 per cent] will be issued if the total return for the company's share including any dividend and share price changes for the 2021-2023 period is more than 10 per cent above the median for the Reference Group's total return [<i>maximum level</i>]. Performance shares will not be issued if the median for the total return for the company's share is equal to or less than the median for the Reference Group's total return [<i>minimum level</i>].</p> <p>Total return will be measured on the basis of the volume-weighted average market price for the 20 days of trading preceding 1 January 2021 and the volume-weighted average market price for the 20 days of trading preceding 31 December 2023.</p> <p>The Reference Group is determined by the Semcon Board.</p>	50%

Matching of performance-based shares shall be linear between the minimum level and the maximum level as stipulated for each performance criteria in 1-3 above.

- 5] Before a final decision can be taken on the number of performance shares to issue, the Board will assess if any significant changes have taken place in the company, the Group or in the market. If the Board finds this to be the case, it can decide to reduce the number of performance shares issued to a lower number of shares that the Board finds suitable for all or some participants in the programme.
- 6] The number of matching and performance shares shall be recalculated in the event of an intermediate bonus issue involving the issue of new shares, a share split or reverse share split or other similar measures.
- 7] The Board is responsible for the detailed structure and management of the Performance-based Share Savings Scheme 2021 within the framework of the stipulated guidelines.
- 8] A decision in accordance with this Item A shall be conditional on the approval by the Annual General Meeting in line with the Board proposal in Item B below or approval in accordance with the Board's proposal in line with Item C below.

B. Decision regarding authorising the Board to decide on the transfer of own ordinary shares to participants in the Performance-based Share Savings Scheme 2021

In order to issue matching shares and performance shares according to the terms and conditions for the Performance-based Share Savings Scheme 2021, the Board proposes that the Annual General Meeting authorises the Board to resolve on the transfer of up to 100,000 own shares with the following conditions.

- With deviation from shareholders' preferential rights, only participants in the Performance-based Share Savings Scheme 2021 and subsidiaries in the Semcon Group have the right to acquire shares, whereby such subsidiaries shall be required to immediately transfer ordinary shares free of charge to those of their employees taking part in the Performance-based Share Savings Scheme 2021. Acquisitions shall be free of charge.
- Participants in the Performance-based Share Savings Scheme 2021 and subsidiaries in the Semcon Group shall, on one or more occasion, exercise their rights to acquire shares during the period when participants in the Performance-based Share Savings Scheme 2021 have the right to receive

ordinary shares in accordance with the terms and conditions for the Performance-based Share Savings Scheme 2021.

- The reason for deviating from preferential rights for existing shareholders is to create a cost-efficient solution in order to fulfil the company's commitments under the terms and conditions for the Performance-based Share Savings Scheme 2021.
- If a share split or reverse share split, a bonus issue involving the issue of new shares, and/or other similar measures is taken before the transfer of shares, the number of shares transferred can be increased or reduced so that, following the measure, these are equivalent to an unchanged share of the company's shares.

C. Share swap agreement with a third party

If the required majority for a decision cannot be reached, in line with Item B above, the Board proposes that the Annual General Meeting resolves that the company can enter into a share swap agreement with a third party to ensure the supply of shares to participants in the Performance-based Share Savings Scheme 2021, whereby the third party in its own name is to acquire and transfer ordinary shares in the company to employees included in the Performance-based Share Savings Scheme 2021. The acquisition of shares by a third party will be on Nasdaq Stockholm.

Special majority requirements

For decisions to be valid in accordance with Items 17, 19 and 20 A and 20 B respectively, the proposal must be supported by at least two-thirds of voting rights represented at the meeting. For decisions to be valid in accordance with Item 21 A and C, the proposal must be supported by shareholders with a minimum of half of the voting rights represented at the meeting. For decisions to be valid in accordance with Item 21 B, the proposal must be supported by a majority of at least nine-tenths of voting rights represented at the meeting.

DISCLOSURE OF INFORMATION AT THE ANNUAL GENERAL MEETING

The Board and CEO shall, at the request of any shareholder at the Annual General Meeting, and if the Board deems that it can be done without inflicting material damage to the company, provide information on circumstances that can affect the assessment of matters on the agenda, conditions that can affect the assessment of the company's or subsidiaries' financial situation, or the company's relationship to other Group companies. A request for such disclosure shall be submitted by post to Semcon AB, attn. Annika Tedenhag, 417 80 Göteborg, Sweden, or by e-mail to annika.tedenhag@semcon.com no later than 19 April 2021. The information is disclosed by making this available at the company's head office

and at www.semcon.com no later than 23 April 2021. The information is also sent within the same time limit to shareholders who so requested and provided their address.

ACCOUNTS AND FULL PRESENTATIONS OF PROPOSALS, ETC.

The Annual Report containing the auditors' report for 2020, the auditors' statement in accordance with Chapter 8, Section 54 of the Companies Act, the Nomination Committee's complete proposals, the remuneration report and the Board's statement in accordance with Chapter 19, Section 22 of the Companies Act, are available on the company's website, www.semcon.com. They will also be available from the company at the above address and will be sent free of charge to shareholders who request a copy and provide their postal address.

PROCESSING OF PERSONAL DATA

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

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