

## NOTICE TO EXTRAORDINARY GENERAL MEETING OF KARNELL GROUP AB (PUBL)

**Karnell Group AB (publ) ("Karnell" or the "Company") will hold an Extraordinary General Meeting on Tuesday 13 February 2024 at 10.00 CET at Advokatfirman Cederquist's premises, Hovslagargatan 3, Stockholm, Sweden. Registration will commence at 09.30 CET.**

### **RIGHT TO ATTEND AND NOTICE**

Shareholders wishing to attend the Extraordinary General Meeting

*shall* be registered as a shareholder in the share register maintained by Euroclear Sweden AB concerning the circumstances on Monday 5 February 2024, and

*shall* give notice of their attendance at the meeting no later than Wednesday 7 February 2024. Notice of attendance is made by email to [info@karnell.se](mailto:info@karnell.se). When giving notice of attendance, please state your name or company name, personal identification number or company registration number, address and daytime telephone number. The registration procedure described above also applies to registration for any assistants.

### **NOMINEE-REGISTERED SHARES**

To be entitled to participate in the Extraordinary General Meeting, shareholders whose shares are registered in the name of a nominee must, in addition to give notice of participation, re-register such shares in their own name so that the shareholder is recorded in the share register as of Monday 5 February 2024. Such registration may be temporary (so called voting rights registration) and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as decided by the nominee. The preparation of the share register as of the record date Monday 5 February 2024 will consider voting rights registrations made no later than Wednesday 7 February 2024.

### **PROXY ETC.**

Shareholders who wish to attend the meeting venue in person or through a proxy representative are entitled to bring one or two assistants. Shareholders who wish to bring assistants shall state this in connection with the notice of attendance. Shareholders represented by a proxy shall issue a written and dated power of attorney for the proxy. If the power of attorney is issued by a legal entity, a copy of a certificate of incorporation, or if such document does not exist, a corresponding document shall be enclosed. In order to facilitate the registration at the meeting, the power of attorney and certificate of incorporation and other documents of authority should be received by the Company at the address stated above well in advance of the Extraordinary General Meeting. A Proxy form is available on the Company's website, [www.karnell.se](http://www.karnell.se).

## PROPOSED AGENDA

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to verify the minutes
5. Determination of whether the meeting has been duly convened
6. Approval of the agenda
7. Resolution on repurchase and set-off offer regarding warrants, including (a) approval of conditional offer to repurchase warrants, and (b) resolution on a directed new issue of shares of class B.
8. Closing of the meeting

## PROPOSED RESOLUTIONS

Election of chairman of the meeting (item 2)

The Nomination Committee proposes that Patrik Rignell is appointed chairman of the meeting.

### **Resolution on repurchase and set-off offer regarding warrants, including (a) approval of conditional offer to repurchase warrants, and (b) resolution on a directed new issue of shares of class B (item 7)**

Background to the proposed resolution

As of the date of this notice, Karnell has a total of 608,234 outstanding warrants in six different series. The warrants entitle to subscription of shares of class B in Karnell corresponding to a dilution of the existing number of shares of approximately 12.5 per cent. The warrants in three of these series (Series 2018:1, Series 2018:2 and Series 2018:3) can be exercised for subscription of shares of class B in Karnell during 2024 ("**Warrants 2024**"). The subscription price per share upon exercise varies between SEK 20.30 and SEK 21.00, depending on the warrant series. The number of Warrants 2024 amounts to a total of 252,370, corresponding to a dilution effect of the existing number of shares of approximately 5.9 per cent at full exercise, and are, at the time of the notice, held by a total of eight warrant holders who are current or former employees and/or board members of Karnell (the "**Warrant Holders**"). Warrants 2024 can be exercised to subscribe for 10 shares[1] in Karnell per warrant during the period from 1 July 2024 up to and including 30 September 2024.

Considering that the board members Patrik Rignell, Hans Karlander and Per Nordgren indirectly through companies hold Warrants 2024 and that Karnell's board, since Patrik Rignell, Hans Karlander and Per Nordgren constitute a majority of the board members, therefore is thus not quorate in relation to the matter, PARI Norway AS, which is controlled by Patrik Rignell, Borgviks Bruk AB, which is controlled by Hans Karlander and

PN Verksamhetsutveckling AB, which is controlled by Per Nordgren, acting as shareholders in Karnell (the “**Proposers**”), have, after dialogue with the other board members Dajana Mirborn and Lena Wäppling, presented the following proposed resolution.

The Proposers propose that the Company makes an offer to the Warrant Holders to transfer all Warrants 2024 to Karnell at a price corresponding to the market value of Warrants 2024 based on the offer price per share at the Company’s intended listing on Nasdaq Stockholm during the first half of 2024, and where the consideration for Warrants 2024 shall be paid to at least 70% in newly issued shares of class B, whereby each newly issued share of class B shall be deemed to have a value corresponding to the offer price, with the possibility of up to 30% of the consideration in cash to cover tax costs for the Warrant Holder (the “**Repurchase and Set-off Offer**”).

The Repurchase and Set-off Offer is deemed to be in the Company’s interest as it, prior to the intended listing, reduces the number of short-term warrants as well as the total dilution effect of the warrants for existing and new shareholders in the Company. As the number of new shares of class B issued upon acceptance of the Repurchase and Set-off Offer only corresponds to the net value of Warrants 2024, the dilution resulting from the Repurchase and Set-off Offer will be lower than if Warrants 2024 are exercised in accordance with the terms and conditions of the warrants. The Repurchase and Set-off Offer is also deemed to be in the interest of the Warrant Holders, as it facilitates for the Warrant Holders to realise the value of Warrants 2024 and, considering the completion of the set-off issue, increase their shareholding in the Company without having to finance the payment of the exercise price.

7(a) Approval of conditional offer to repurchase warrants.

The Proposers propose that the general meeting resolves to approve that Karnell makes the Repurchase and Set-off Offer to the Warrant Holders on the following terms and conditions.

- A maximum of 252,370 warrants, corresponding to the number of Warrants 2024, may be repurchased.
- The repurchase shall be made at the market value of Warrants 2024, based on the offer price per share of class B at the Company’s intended listing on Nasdaq Stockholm. The calculation of the market value shall be performed by an independent party based on customary valuation principles for warrants on the Swedish market.

The Repurchase and Set-off Offer shall be conditional upon that (i) the Company’s intended listing on Nasdaq Stockholm takes place, (ii) the general meeting resolves on a directed new issue of shares of class B in accordance with item 7(b) below, and (iii) the board assesses that conditions are met for the claim on consideration (which is not paid in cash) arising for the participants in connection with the acceptance of the Repurchase and Set-off Offer can to be used as a set-off as payment for the shares issued in accordance with item 7(b) below. The conditions under (i) and (ii) are intended to be fulfilled during the first half of 2024 when the Company’s listing on Nasdaq Stockholm is intended to be carried out. Warrants 2024 repurchased by Karnell will be cancelled.

Warrant Holders who do not accept the Repurchase and Set-off Offer may, without being affected by the Repurchase and Set-off Offer, exercise their Warrants 2024 for subscription of shares during the subscription period in accordance with the applicable terms and conditions for Warrants 2024.

## 7(b) Resolution on a directed new issue of shares of class B

The Proposers propose that the general meeting resolves on a directed new issue of shares of class B on the terms and conditions set out below (the “**New Issue**”), and to authorise the board to execute the issue resolution as soon as the Repurchase and Set-off Offer under item 7(a) above has been declared unconditional.

Through the New Issue, a maximum of 2,000,000 shares of class B will be issued, and the share capital may therefore increase by a maximum of SEK 200,000. As stated above, the intention is that the shares will be issued as part of the implementation of a repurchase and set-off offer, why the number of shares that are finally issued and allocated is intended to be determined based on the number of Warrants 2024 submitted under the Repurchase and Set-off Offer, the offer price per share at the Company's listing on Nasdaq Stockholm, and consequently the market value of Warrants 2024. The New Issue shall be conditional upon the board declaring the Repurchase and Set-off Offer under item 7(a) above unconditional. The condition is expected to be fulfilled during the first half of 2024 when the Company's listing on Nasdaq Stockholm is intended to be carried out. In addition, the following terms and conditions shall apply to the New Issue:

### *Subscription price*

The subscription price shall correspond to the offer price per share at the Company's listing on Nasdaq Stockholm, but not less than the quota value of the share. The subscription price will be determined before the subscription period commences. The share premium shall be transferred to the unrestricted premium reserve.

### *Subscription right and the reason for deviating from the shareholders' preferential rights*

The right to subscribe for the new shares shall, with deviation from the shareholders' preferential rights, be granted to the Warrant Holders who have accepted the Repurchase and Set-off Offer during the application period.

The reason for the deviation from the shareholders' preferential rights is to implement the Repurchase and Set-off Offer which is deemed to be favorable to the Company and the Warrant Holders.

### *Time for subscription, allocation and payment*

Subscription for the new shares of class B shall take place no earlier than 15 March 2024 and no later than 30 June 2024 on a subscription list. However, the subscription period shall not commence until after the offer price per share at the Company's listing on Nasdaq Stockholm has been determined. Payment in cash for the shares shall be made in connection with the subscription. Allocation of the new shares of class B shall be made to those entitled to subscribe as stated above. The board shall have the right to extend

the subscription period and the time for payment. It is noted that set-off is intended to be permitted retrospectively in accordance with Chapter 13, Section 41 of the Swedish Companies Act.

## *Right to dividend*

The new shares of class B shall entitle to dividends for the first time on the record date for dividends, which occurs closest after the new shares have been registered with the Swedish Companies Registration Office and included in the share register maintained by Euroclear Sweden AB.

## **SPECIAL MAJORITY REQUIREMENTS**

Valid resolution under item 7(a)-(b), requires the support of shareholders representing at least nine tenths of both the votes cast and the shares represented at the general meeting.

## **AUTHORISATION**

The CEO, or any person appointed by the CEO, shall be authorised to make such minor adjustments to the resolutions adopted by the general meeting that may be necessary upon registration of the resolution with the Swedish Companies Registration Office or due to any other formal requirement.

## **DOCUMENTS**

Complete resolution proposals and other documents to be made available in accordance with the Swedish Companies Act will be made available in connection with the issuance of the notice at the Company or on the Company's website, [www.karnell.se](http://www.karnell.se), and will be sent immediately, free of charge, to shareholders who so request and provide their postal or e-mail address.

## **NUMBER OF SHARES AND VOTES**

As of the date of this notice, the total number of shares in the Company amounts to 42,613,834 shares divided into 6,180,520 shares of class A with ten votes each, and 36,433,314 shares of class B with one vote each, thus a total of 98,238,514 votes.

## **SHAREHOLDERS' RIGHT TO REQUEST INFORMATION**

The board and the CEO shall, if any shareholder so requests and the board believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda. Shareholders who wish to submit questions in advance can do so in writing to the Company by e-mail to [info@karnell.se](mailto:info@karnell.se).

## **PROCESSING OF PERSONAL DATA**

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

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Stockholm in January 2024

**Karnell Group AB (publ)**

*The Board of Directors*

[1] Following the share split in Karnell on 19 April 2022, the number of shares that each warrant entitles the holder to subscribe for has been recalculated from one share of series B to ten shares of series B.

## **Attachments**

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