

Notice of extraordinary general meeting in BICO Group AB (publ)

The shareholders of BICO Group AB (publ), reg. no. 559050-5052 (the “Company” or “BICO”), with registered office in Gothenburg, are hereby invited to the Extraordinary General Meeting (the “EGM”) on Wednesday 14 December 2022.

Information related to advance voting

The EGM will be carried out through advance voting (postal voting) pursuant to temporary legislation. Thus, it will not be possible to attend in person or through proxy at the EGM. Information about the resolutions adopted at the EGM will be published on the same day as the EGM as soon as the outcome of the vote is finally compiled.

Notification of advance voting etc.

Notification

Shareholders who wish to participate at the EGM shall:

- *firstly*, be entered in the share register maintained by Euroclear Sweden AB relating to the circumstances on Tuesday 6 December 2022 (for nominee-registered shares, also see “*Nominee registered shares*” below),
- *secondly*, notify the Company of their intention to participate in the EGM by casting 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 Tuesday 13 December 2022.

Information submitted in connection with the notification will be computerised and used exclusively for the EGM. See below for additional information on the processing of personal data.

Nominee-registered shares

To be entitled to participate in the EGM through advance voting, a shareholder whose shares are held in the name of a nominee must, in addition to providing notification of participation, register its shares in its own name so that the shareholder is recorded in the share register relating to the circumstances on Tuesday 6 December 2022. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee’s procedures and in such time in advance as the nominee determines. Voting right registrations completed by the nominee not later than Thursday 8 December 2022 are taken into account when preparing the register of shareholders.

Advance voting

Shareholders may exercise their voting rights at the EGM only by voting in advance, so-called postal voting pursuant to Section 22 of the Act (2022:121) 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.bico.com. The advance voting form is considered as the notification of attendance to the EGM.

The completed voting form must be received by BICO no later than on Tuesday 13 December 2022. The completed and signed form shall be sent to: BICO Group AB (publ), Långfilsgatan 9, SE-412 77 Gothenburg, Sweden. A completed form may also be submitted by e-mail and is then to be sent to ir@bico.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. Proxy forms for shareholders who wish to vote by mail through proxies will be available on the Company's website.

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

Proposed agenda

1. Election of a chairman of the meeting
2. Election of one or two persons to attest the minutes
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Determination of whether the meeting was duly convened
6. Resolution to adopt a long-term incentive programme for employees within the BICO group

Proposal for a resolution under items 1, 2, 3 and 6

Item 1 – Election of a chairman of the meeting

The Board of Directors proposes that the Chairman of the Board, Carsten Browall, or, if he has an impediment to attend, the person proposed by the Board of Directors, is appointed chairman at the EGM.

Item 2 - Election of one or two persons to approve the minutes

The Board of Directors proposes that Veronica Christiansson, or if this person can't attend, the person appointed by the Board, be elected to approve the minutes of the EGM.

Item 3 – Preparation and approval of voting list

The voting list proposed for approval is the voting list drawn up by the Company, based on the EGM's share register and advance votes received, as verified and recommended by the person approving the minutes of the EGM.

Item 6 – Resolution to adopt a long-term incentive programme for employees within the BICO group

The Board of Directors' of BICO Group AB (publ) (the "Company" or "BICO") proposal that the extraordinary general meeting resolve on (6A.) the adoption of a long-term incentive programme directed at employees within the BICO group ("Co-worker LTIP 2022"), and (6B.) a directed issue of warrants (series 2022/2026) to the wholly owned subsidiary BICO International AB and approval of subsequent subscription of shares on behalf of employees in connection with the exercise. The resolutions under 6A-6B below are conditional on each other and all decisions are therefore proposed to be adopted in one context.

6A.1. Adoption of the Co-worker LTIP 2022

The Board of Directors of the Company proposes that the extraordinary general meeting resolves to implement a long-term incentive programme (Co-worker LTIP 2022) directed at employees within the BICO group in accordance with the terms and conditions stated below.

Background and rationale

The Company's Board is of the opinion that the Co-worker LTIP 2022 will contribute to higher motivation and commitment among the employees and strengthen the bonds between the employees and the Company. Furthermore, the Board's assessment is that the Co-worker LTIP 2022 will contribute to the opportunities to retain knowledgeable and experienced employees and is expected to increase the employees' interest in the Company's operations and development of earnings. In view of these considerations, it is the Board's opinion that Co-worker LTIP 2022 will benefit both the employees and the Company's shareholders through increased share value. Co-worker LTIP 2022 mainly corresponds to Co-worker LTIP 2021 adopted by the annual general meeting 2021. Co-worker LTIP 2021 has a term until 2026, when the employees have the right to subscribe for one share at a price of approximately SEK 600. Given the recent share price development, Co-worker LTIP 2021 does not contribute, at least for the time being, to the desired motivation and commitment among the employees. The employees in Co-worker LTIP 2022 are expected to perform extraordinary efforts to achieve the Board's financial targets and to make the Company achieve positive cash flow, which is why the Board of Directors believes that an incentive programme adapted to today's conditions will be beneficial for both the employees and the Company and its shareholders.

Introduction of the Co-worker LTIP 2022

Co-worker LTIP 2022 is a programme under which the employees, free of charge, will be granted a right to receive warrants ("**Options**") depending on the Company's fulfilment of certain performance requirements (see below) and will be subject to a three and a half-year vesting period. All grants of Options will be determined according to a value-based method taking in to account the theoretical value of the Options. Provided that certain conditions are met, each Option entitles the holder to acquire one share of series B in the Company at a predetermined price.

Delivery of shares to the employees in connection with the exercise of vested Options will be made possible through warrants. As part of the implementation of Co-worker LTIP 2022, a maximum of 2,500,000 warrants will therefore be issued in accordance with item 6B below. The 2,500,000 warrants will cover both the delivery of shares and, if required, social security contributions.

Co-worker LTIP 2022 will comprise of current employees (a total of approximately 900 individuals), and participants who may be employed within the BICO group in the foreseeable future, and shall, upon the resolution by the Company's Board of Directors, be allocated primarily in accordance with the main terms and guidelines set out below.

The Company's CEO, Erik Gatenholm, and CTO, Hector Martinez, both major shareholders in the Company, have decided to refrain from participating in Co-worker LTIP 2022 in favor of the other employees.

Costs for Co-worker LTIP 2022

Co-worker LTIP 2022 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Options shall be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. The Options are issued free of charge to employees and may therefore give rise to social security contributions and expenses that will be expensed in the income statement in accordance with UFR 7 during the vesting period.

Assuming a B share price at the time of allocation of Options of SEK 87, an annual increase in the B-share price of 20 per cent and that all Options are allocated up-front under the assumptions set out under "*Dilution*", the average annual cost for Co-worker LTIP 2022 according to IFRS 2 is estimated to approximately MSEK 28.7 per year before tax. The average annual social security contributions are estimated to approximately a total of MSEK 3.1, based on the above assumptions, that all Options are fully vested, a remaining term of three and a half years for all Options and social security contributions of in average 20 per cent. It is envisaged that the social security contributions associated with Co-worker LTIP 2022 will be covered by the cash received from the employees at the time of exercise of the Options. If necessary, social security contributions will be covered by hedging measures through the issue of warrants which will be exercised by a financial intermediary in connection with the exercise of the Options. In either case, the social security contributions associated with Co-worker LTIP 2022 will be fully covered and will hence not affect the Company's cash flow.

The total cost of the Co-worker LTIP 2022, including all social security contributions, is estimated to amount to approximately MSEK 112 under the above assumptions.

Dilution

Based on the existing number of shares in the Company, Co-worker LTIP 2022, upon exercise of all 2,500,000.00 Options, means that the share capital may increase by a maximum of SEK 62,500.00 and a maximum dilution corresponding to approximately 3.75 per cent of the outstanding capital at the time of issue of the notice and the number of votes in the Company. If all outstanding incentive programmes in the Company are included in the calculation, the corresponding maximum dilution, at the time of the extraordinary general meeting, amounts to approximately 9.64 per cent of the capital and the number of votes.

Adoption and the right to change the terms and conditions of the Options

The Board of Directors, or a committee specially established by the Board of Directors, shall be responsible for the detailed design and management of the terms and conditions of the Co-worker LTIP 2022, taking in consideration the said conditions and guidelines including provisions on recalculation in the event of an intermediate bonus issue, split, rights issue and/or other similar events. In connection therewith, the Board of Directors shall have the right to make adjustments, if applicable, to comply with specific foreign regulations or market conditions. The Board of Directors shall also have the right to make other adjustments if there are significant changes in the BICO group or its operating environment that would mean that the decided terms for Co-worker LTIP 2022 no longer fulfill its purposes.

Preparation of the proposal

The Co-worker LTIP 2022 has been prepared by the Board of Directors in consultation with the Remuneration Committee and external advisers.

Additional ongoing share-based incentive programmes

Information regarding the Company's current incentive programmes is available in the Company's annual report 2021, note 6 and the main terms and conditions of the programmes are available on the Company's website, www.bico.com. Apart from the programmes now mentioned, there are no other share-based incentive programmes in BICO.

6A.2. Main terms and guidelines under Co-worker LTIP 2022

The following terms and conditions shall apply to Co-worker LTIP 2022:

1. Co-worker LTIP 2022 shall comprise of current employees, and participants who in the foreseeable future may be employed, within the BICO group. The total number of Options that can be granted to employees amounts to a maximum of 2,500,000.
2. The allotment of Options shall be resolved by the Board of Directors of the Company and the Options will be distributed primarily in accordance with the following categories:
 - i. The group management may be granted a maximum of not more than 1,000,000 Options,
 - ii. Other senior executives and employees may together be allotted a maximum of 500,000 Options, and
 - iii. Other employees may together be allotted a maximum of 1,000,000 Options.
3. The Board of Directors shall resolve on the allotment of Options no later than one year after the extraordinary general meeting. The size of the individual allotment will be determined according to a value-based method.
4. The Options shall be granted to the employees free of charge.
5. In order for the Options to entitle the participant to acquire a share, the participant must have been employed within the BICO group up to and including the publication of the Company's quarterly report for the first quarter 2026 or, if such report is not published, on 1 June 2026 (the "**Vesting Period**").
6. The Options are vested during the Vesting Period in accordance with the following performance requirements:
 - i. 50% of the granted Options shall be tied to the requirement that the BICO group's sales per share has amounted to at least SEK 50 per share during 2025;
 - ii. 50% of the granted Options shall be tied to the requirement that BICO group is cash flow positive, excluding earn outs, during each year from and including 2023 up to and including 2025, thus the vesting shall decrease with one third for each year the cash flow of the BICO group has not been positive, excluding earn outs, from and including 2023 up to and including 2025.
7. Each Option entitles the holder to receive one share of series B in BICO at a predetermined price of SEK 150 per share during the period from 1 June 2026 to and including 31 September 2026. The exercise price has been determined by applying the B&S method.
8. The latest point at which vested Options may be exercised shall be on 31 September 2026.
9. The Options may not be transferred or pledged.

The Company's CEO, Erik Gatenholm, and CTO, Hector Martinez, both major shareholders in the Company, have decided to refrain from participating in Co-worker LTIP 2022 in favor of the other employees.

The number of Options will be re-calculated in the event that changes occur in BICO's equity capital structure, such as a bonus issue, merger, rights issue, share split or reverse share split, reduction of the share capital or similar measures.

6B. Directed issue of warrants under the Co-worker LTIP 2022 to the wholly owned subsidiary BICO International AB and approval of subsequent subscription of shares on behalf of employees in connection with exercise

In order to ensure the delivery of shares under Co-worker LTIP 2022 and, if necessary, for hedging of social security contributions, the Board of Directors proposes that the extraordinary general meeting resolves to, with deviation from the shareholders' preferential rights, issue not more than 2,500,000 warrants, as a result of which the Company's share capital may be increased by a maximum of SEK 62,500. The Board of Directors also proposes that the extraordinary general meeting resolves to approve that the wholly owned subsidiary BICO International AB, under the Co-worker LTIP 2022, may exercise the warrants for subscription of shares on behalf of employees in connection with the end of the term 31 September 2026.

The issue of warrants shall be subject to the following conditions:

1. The right to subscribe for the 2,500,000 warrants shall, with deviation from the shareholders' preferential rights, only vest with the wholly owned subsidiary BICO International AB. BICO International AB shall have the right to exercise the warrants for new subscription of shares on behalf of employees in connection with the end of the term 31 September 2026.
2. The warrants shall be issued free of charge and shall be subscribed for on a subscription list no later than 1 June 2023. The Board of Directors shall have the right to extend the subscription period. Oversubscription cannot take place.
3. Each warrant shall entitle the holder to subscribe for one share of series B in the Company.
4. The subscription price for shares of series B subscribed for based on the warrants shall correspond to the quota value of the shares. The subscription price shall be paid in cash.
5. Subscription of shares pursuant to the warrants shall take place during the period from 1 June 2026 to and including 31 September 2026. The Board of Directors has the right to extend the subscription period, however, by a maximum of six months.
6. Shares which are issued following subscription shall entitle to dividend on the record date for dividends that falls immediately after the new shares have been entered in the Company's share register with Euroclear Sweden AB.
7. The detailed terms of the warrants are set out in Appendix A.

The exercise price, as set out above, shall be rounded to the nearest SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The exercise price and the number of shares that each warrant entitles to subscription for shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with market practice.

It is further proposed that the board of directors, or whomever they appoint, should be authorized to undertake such minor adjustments in the resolution that may be required for the registration with the Swedish Companies Registration Office.

The reason for the deviation from the shareholders' preferential rights is to implement Co-worker LTIP 2022 for employees in the BICO Group.

Miscellaneous

Majority requirements

The Board of Directors' proposal for resolutions in accordance with 6A – 6B above constitute a package, as the various proposals are dependent on and strongly linked to each other. Therefore, it is proposed that the EGM make a single resolution in connection with the abovementioned proposals, in compliance with the majority requirement specified in Chapter 16, Section 8 of the Swedish Companies Act, meaning that the resolutions shall be supported by shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

Number of shares and votes

As per the date of this notice, the total number of outstanding shares in the Company is 64,086,269, of which 1,500,000 are shares of series A, that entitle to ten votes per share, and 62,586,269 shares of series B, that entitle to one vote per share at the EGM. As of the date of this notice the Company holds no treasury shares.

Documents

The Board's complete proposal for resolution under item 6 and documents referred to in the Swedish Companies Act are available on the Company's website, www.bico.com, at the Company's premises with address BICO Group AB (publ), Långfilsgatan 9, SE-412 77 Gothenburg, Sweden and will be sent to those shareholders who so request and state their postal address or e-mail address.

Information before the EGM

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors considers that it can be done without material harm to the Company, provide information at the EGM on matters that may affect the assessment of an item on the agenda. A request for such information shall be sent in writing to BICO Group AB (publ), Långfilsgatan 9, SE-412 77 Gothenburg, Sweden or by e-mail to ir@bico.com, no later than on Monday 5 December 2022. The information will be made available at the Company's premises and on www.bico.com on Friday 9 December 2022 at the latest. The information will also be sent, within the same period of time, to the shareholder who has requested it and stated its address.

Processing of personal data

For information on how your personal data is processed, it is referred to the privacy notice available at Euroclear's webpage www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

Gothenburg in November 2022

BICO Group AB (publ)

The Board of Directors

PRESS RELEASE

14 November 2022 15:00:00 CET

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Founded in 2016, BICO (formerly CELLINK) is the world's leading bioconvergence company, with three business areas: Biosciences, Bioautomation, and Bioprinting. BICO aims to reduce the organ shortage and speed up drug development by providing accessible life science solutions that combine biology and technology, fundamentally shifting the global healthcare industry. Using a combination of robotics, artificial intelligence, advanced genomics, and 3D bioprinting, our innovative technologies enable researchers and practitioners in the life sciences to conduct cell line development in 3D, perform high-throughput drug screening and diagnostics, and print human tissues and organs for the medical, pharmaceutical, and cosmetic industries. BICO is the future of life-saving treatments, as we enable our customers to improve people's health and lives. Our products are trusted by more than 3,500 laboratories, including the top 20 pharmaceutical companies. We have more than 32,000 instruments in the field in over 65 countries and have been cited in over 11,000 publications. BICO is listed on Nasdaq Stockholm under BICO. www.bico.com

Attachments[Notice of extraordinary general meeting in BICO Group AB \(publ\)](#)