

Notice to attend the annual general meeting of PowerCell Sweden AB (publ)

The shareholders of Powercell Sweden AB (publ), company registration no. 556759-8353 ("PowerCell" or the "Company"), are hereby given notice to attend the Annual General Meeting to be held on Thursday 25 April 2024 at 12:00 pm in Chalmersska huset's premises at the address Södra Hamngatan 11 in Gothenburg, Sweden. Registration for the Annual General Meeting will commence at 11.00 am.

Registration and notification

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

be entered in the share register maintained by Euroclear Sweden AB as per Wednesday, 17 April 2024 and, if the shares are registered with a nominee, request that the nominee register the voting rights no later than Friday, 19 April 2024; and

provide notice by letter addressed to Computershare AB "Powercell Sweden AB Annual General Meeting", Box 5267, 102 46 Stockholm, by telephone at +46 (0)771-24 64 00, or via the Company's website at www.powercellgroup.com (only private persons), not later than Friday 19 April 2024.

The notice must include the shareholder's name, address, telephone number, personal identification number or company registration number as well as the number of attendees.

Shareholders who wish to be represented by a proxy must issue a dated proxy form for the proxy. Proxy forms may be obtained through the Company and are available on the Company's website, www.powercellgroup.com. The proxy should, if possible, be submitted in original to the Company at the above-stated address in due time prior to the meeting. Representatives of legal entities must include a copy of the current certificate of registration or other applicable document.

Nominee registered shares

To be entitled to participate at the Annual General Meeting, shareholders who have caused their shares to be registered with a nominee must request that they be temporarily registered in their own name in the shareholders' register maintained by Euroclear Sweden AB. As stated above, the nominee must have carried out the voting rights registration at Euroclear Sweden AB no later than Friday, 19 April 2024. The shareholder should provide notice to the nominee thereof in due time and register their shares with voting rights in accordance with the nominee's instructions.

Business

Proposed agenda:

Opening of the meeting;

Election of chairman of the meeting;

Preparation and approval of the voting register;

Election of one or two persons to verify the minutes;

Determination of whether the Annual General Meeting has been duly convened;

Approval of the agenda;

Presentation by the CEO;

Presentation of the annual report and the auditor's report for the Company and the group;

Presentation of the remuneration report for approval and the auditor's statement regarding the remuneration report;

Resolutions regarding:

adoption of the income statement and balance sheet for the Company and the group;

allocation of the Company's profit or loss according to the adopted balance sheet;

discharge from liability for the directors and the CEO;

Resolution regarding determination of the number of directors;

Resolution regarding determination of the fees payable to the directors and the auditors;

Election of the Board of Directors;

Election of auditor;

Resolution regarding principles for the nomination committee;

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

Resolution regarding (A) implementation of share savings programme 2024/2027, (B) issue of warrants of series 2024/2028, and (C) approval of transfer of warrants of series 2024/2028 and authorisation to enter into swap agreements;

Resolution regarding authorization of the Board of Directors to issue shares and/or warrants and/or convertibles;

Resolution regarding adjustment authorization;

Closing of the meeting.

Nomination committee

In accordance with the Annual General Meeting's principles adopted last year, the nomination committee shall be composed of at least three and no more than four members, of whom at least two and no more than three shall be nominated by the Company's largest shareholders with respect to voting power as per 30 July 2023 and one member shall be the chairman of the Board of Directors.

If less than two major shareholders choose to elect a member of the nomination committee, the already appointed members of the nomination committee have an obligation to jointly appoint additional member(s) of the nomination committee within the applicable member requirements. Any additional member(s) shall be independent in relation to the Company, have relevant experience for the task and/or preferably be familiar with the Company or companies within the same sector/industry as the Company. Only one major shareholder as per 30 July 2023, Robert Bosch GmbH, has exercised its right to appoint a member of the nomination committee. Therefore, in accordance with above, an independent member has been appointed. The nomination committee has thus been comprised of Uwe Zeise (Robert Bosch GmbH), Lena Olving (independent) and Magnus Jonsson (chairman of the Board of Directors).

Proposed resolutions by the nomination committee

2. Election of chairman of the meeting

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

11. Resolution regarding determination of the number of directors

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

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

The nomination committee proposes that the fee per director elected by the Annual General Meeting shall be distributed as follows (last year's figures in brackets): chairman of the Board of Directors SEK 600,000 (440,000) and director not employed by the Company SEK 300,000 (220,000).

It is proposed that the fee for work in the audit committee be SEK 200,000 (110,000) to the chairman and SEK 100,000 (55,000) to each of the other members.

It is proposed that the fee for work in the remuneration committee be SEK 80,000 (33,000) to the chairman and SEK 40,000 (17,000) to each of the other members.

If the Annual General Meeting approves the nomination committee's proposal for the composition of the board, and if the number of members of the audit committee is three and the number of members of the remuneration committee is three the total fees will be SEK 2,960,000 (2,047,000).

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

13. Election of the Board of Directors

The nomination committee proposes the following Board of Directors: re-election of Nicolas Boutin, Helen Fasth Gillstedt, Uwe Hillmann, Riku Peka Hägg, Magnus Jonsson, Annette Malm Justad and Kajsa Ryttberg-Wallgren.

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

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

14. Election of auditor

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

15. Resolution regarding principles for the nomination committee

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

Each of the Company's three largest shareholders determined by percentage of voting rights, shall each be entitled to appoint one member of the nominations committee. The largest shareholders shall be determined based on a list of owner-registered shareholders from Euroclear Sweden AB or other reliable ownership information, as of 30 July 2024. If one or some of the three largest shareholders refrain from appointing a member of the nominations committee, the chairman of the Board of Directors shall offer other major shareholders (considering no more than the 20 largest shareholders in the abovementioned list) to appoint a member of the nominations committee. If such an offer is made, it shall be made in due order to the other major shareholders (i.e., first to the fourth largest shareholder, thereafter to the fifth largest shareholder, etc.). Unless otherwise agreed between the members, the chairman of the nominations committee shall be nominated by the largest shareholder.

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

No remuneration shall be paid to the members of the nominations committee except for any external member(s) that may have been appointed jointly by the other members in accordance with the principles above. Such jointly appointed member(s) shall receive remuneration for work in the nominations committee amounting to a fixed fee of one (1) price base amount (*Sw. prisbasbelopp*) excluding VAT with an additional fee of 0,1 price base amount excluding VAT per extra meeting if the number of meetings of the nominations committee exceeds ten (i.e. an additional 0,2 price base amounts excluding VAT shall be paid if the nominations committee holds twelve meetings). The nominations committee may also charge the Company for reasonable expenses for travel, administration, and possible recruitment costs in connection with work for the nominations committee.

The nominations committee shall present proposals to the Annual General Meeting 2025 for a) election of chairman of the Annual General Meeting, b) resolution regarding the number of board members, c) resolution regarding fees to the chairman of the Board of Directors and each of the other board members (including work in the board committee d) elections of board members, e) election of chairman of the Board of Directors, f) resolution regarding fee to auditor, g) election of auditor, h) resolution regarding principles for appointment of the nominations committee and i) resolution regarding principles for the nominations committee.

If a member of the nominations committee resigns prior to completion of the work, and if the nominations committee deems that there is a need to replace the member, the nominations committee shall appoint a new member; primarily a member nominated by the shareholder which nominated the resigning member, under the condition that the shareholder remains one of the three largest shareholders in the Company. If the chairman of the board resigns from the board, his/her successor shall replace the chairman of the board also on the nominations committee.

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

Proposed resolutions by the Board of Directors

10(b). Resolution on allocation of the Company's profit or loss according to the adopted balance sheet

The Board of Directors proposes that the Annual General Meeting resolves that the Company's profit or loss is allocated according to the Board of Directors' proposal in the annual report. The Board of Directors further proposes that no dividend be paid for the financial year 2023.

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

The Board of Directors proposes the following guidelines for the determination of salaries and other compensation to senior management.

The guidelines cover remuneration to the CEO, the deputy CEO and to other senior executives in the management team. These guidelines do not apply to any remuneration separately decided or approved by the general meeting.

The guidelines are forward-looking, which means that they will apply to remuneration agreed, and amendments to remuneration already agreed, after these proposed guidelines have been adopted by the 2024 annual general meeting.

The guidelines' promotion of the PowerCell's business strategy, long-term interests, and sustainability

A successful implementation of PowerCell's business strategy and the safeguarding of PowerCell's long-term interests, including its sustainability, requires that the company can retain and recruit qualified senior executives. These guidelines enable PowerCell to offer senior executives competitive total remuneration. Furthermore, the guidelines shall stimulate an increased interest in PowerCell's operations and performance as a whole and increase the motivation of the senior executives. Information regarding PowerCell's business strategy is available in PowerCell's annual and sustainability report.

Types of remuneration

PowerCell shall offer market-based remuneration which shall be based on factors such as the importance of the work tasks, the employee's competence, experience, and performance. Remuneration may consist of fixed remuneration, variable remuneration, pension benefits, insurance, and other benefits. In addition, the general meeting may, independently of these guidelines, resolve on, for example, share and share price related remuneration (incentive programs).

Fixed remuneration (basic salary)

Senior executives shall have a fixed basic cash salary that is market-based and based on each executive's competence, experience, performance, area of responsibility, and the importance of the position to the company. The fixed remuneration shall be evaluated annually. Senior executives shall not receive fees for board assignments in the company's subsidiaries.

Variable remuneration

In addition to the fixed remuneration, variable remuneration may be paid. The variable remuneration shall be linked to measurable criteria which shall be designed to promote the company's business strategy and long-term interests, including sustainability. The criteria may include share price related or financial targets, operational targets, and sustainability targets.

The measurable criteria shall be decided annually by the Board of Directors following a proposal from the Remuneration Committee. The measurement period may be both annual and quarterly and the variable remuneration may never exceed 25 per cent of the executive's fixed remuneration during the measurement period, not including any share and share price related remuneration resolved by the general meeting.

At the end of the measurement period, the Board of Directors, supported by the Remuneration Committee, shall assess and determine the extent to which the established criteria have been met. In the annual evaluation, the Board of Directors may, upon proposal of the Remuneration Committee, resolve to adjust the targets and/or remuneration for both positive and negative extraordinary events, reorganisations, and structural changes. The Board of Directors shall have the possibility, by law or by contract, to recover, in whole or in part, variable remuneration paid on incorrect grounds.

Additional variable remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis either for the purpose of recruitment or retention of senior executives, or as compensation for extraordinary performance in addition to the executive's regular duties. Such remuneration may never exceed 25 per cent of the executive's annual fixed remuneration and may never be paid more than once a year per executive. Such remuneration shall be decided by the Board of Directors following a proposal from the Remuneration Committee.

Pension benefits

Senior executives shall be offered defined contribution pension agreements. Variable remuneration shall not be pensionable. The contribution shall correspond to the contribution provisions applicable from time to time for ITP 1/ITP 2 or a maximum of 35 per cent of the executive's annual fixed remuneration, except in cases where law or collective agreements require a defined benefit pension. Under the defined contribution pension plan, the pension will correspond to the sum of contributions paid and any returns, with no guaranteed pension level. Under the defined contribution pension plan, there is no fixed retirement date.

Other benefits

Senior executives may receive customary non-monetary additional benefits, such as company car, health care, medical insurance, and occupational health care. The company's costs for such additional benefits may not exceed 15 per cent of the executive's annual fixed remuneration.

Termination of employment

The notice period for senior executives, with the exception of the CEO, may vary between three and six months. No variable remuneration shall be paid in the event of termination by the senior executive. In the event of termination of a senior executive by the Company, severance pay may be paid in addition to this, in an amount corresponding to a maximum of six months' fixed remuneration.

The notice period for the CEO shall be six months in case of termination by the CEO and a maximum of twelve months in case of termination by the company. In the event of termination of the CEO by the company, severance pay may be paid in addition to this, in an amount corresponding to a maximum of six months' fixed remuneration.

In addition, compensation for any non-competition undertaking may be paid. Such remuneration shall compensate for any loss of income and shall only be paid during the period that the senior executive is not entitled to severance pay. The monthly compensation for any non-compete obligation may amount to a maximum of 60 per cent of the average monthly fixed remuneration for the six months preceding the termination of employment. The remuneration shall be paid during the contractual period of the non-compete obligation, which may not exceed 12 months after the termination of employment.

Remuneration and employment conditions for other employees

In the preparation of the Board of Directors' proposal for these guidelines for remuneration to senior executives, the Board of Directors has considered remuneration and terms of employment for PowerCell's employees by including information regarding the employees' total remuneration and terms of employment as part of the Remuneration Committee's and the Board of Directors' basis for decision-making, when evaluating the reasonableness of the guidelines and the limitations resulting from them.

Decision-making process for establishment, review, and implementation of the guidelines

The Board of Directors has established a Remuneration Committee. The tasks of the Remuneration Committee include preparing the Board of Directors' resolution on proposals for guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every four years and present the proposal for resolution at the general meeting. Guidelines adopted by the general meeting shall apply until new guidelines are adopted by the general meeting.

The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration to senior executives and current remuneration structures and levels in PowerCell. The members of the Remuneration Committee are independent in relation to PowerCell and its management. Neither the CEO nor other senior executives are present at the Board of Directors' processing of and resolutions on remuneration-related issues, insofar as they are affected by the issues.

Exemption from the guidelines

The Board of Directors may decide to temporarily deviate from the guidelines, in whole or in part, if there are special reasons for doing so in an individual case and a deviation is deemed necessary to fulfil PowerCell's long-term interests, including sustainability, or to ensure PowerCell's financial viability. As stated above, it is the task of the Remuneration Committee to prepare the Board of Directors' decisions on remuneration issues, including any decisions on deviations from the guidelines.

Description of any significant change to the guidelines and how shareholders' views are taken into account

Due to the fact that PowerCell's shares were admitted to trading on Nasdaq Stockholm in December 2023, the Board of Directors proposes that new guidelines for remuneration to senior executives be adopted at the Annual General Meeting 2024 to ensure that the company fulfils all requirements of the Swedish Companies Act (2005:551) and the Swedish Stock Market Self-Regulation Committee. Against this background, the guidelines are editorially amended and more detailed, however, no significant amendments are proposed regarding the levels of remuneration.

PowerCell has not received any comments from shareholders to consider in the preparation of this proposal for guidelines for remuneration to senior executives.

17. Resolution regarding (A) implementation of share savings programme 2024/2027, (B) issue of warrants of series 2024/2028, and (C) approval of transfer of warrants of series 2024/2028 and authorisation to enter into swap agreements

The Board of Directors proposes that the Annual General Meeting resolves on (A.) a long-term share savings programme (the "**Share Savings Programme 2024/2027**"), (B.) the issuance of warrants of series 2024/2028, and (C.) the transfer of warrants of series 2024/2028, in accordance with the below.

Background, motive, and summary

The Board of Directors believes that it is in the interest of the Company and its shareholders that senior executives and certain key employees of the Company and its group are engaged in the Company's development by being offered participation in a new incentive programme. What is stated below regarding employment in the Company shall also apply, to the extent applicable, to employment in companies within the Company's group. The reasons for the proposal are to contribute to the opportunities to retain and attract qualified personnel and to increase motivation for employees in the Company by getting involved and working towards increased total return during the period covered by the Share Savings Programme 2024/2027.

Considering the terms, the size of the allotment and other circumstances, the Board of Directors considers that the Share Savings Programme 2024/2027, as set out below, is reasonable and beneficial to the Company and its shareholders.

The proposed programme has a three-year performance period. Participation in the programme is proposed to be offered to PowerCell's senior executives and key employees. To participate in the programme, participants must have their own shareholding in PowerCell allocated to the Share Savings Programme 2024/2027 (the "**Investment Shares**"). The Investment Shares can either be acquired specifically for the Share Savings Programme 2024/2027 or already owned. For each Investment Share, the participant has the opportunity to receive performance shares (the "**Performance Shares**") free of charge, and Performance Shares vested under the terms of the Share Savings Programme 2024/2027 entitle the participant, upon allocation, to receive warrants free of charge that give the right to subscribe for shares in PowerCell at a price corresponding to the quotient value of the shares at the

time of subscription (currently SEK 0.022). A condition for the vesting of the Performance Shares is, among other things, that a performance target regarding PowerCell's total return during the programme period is achieved. The Board of Directors intends to propose similar incentive programmes annually.

A. The Board of Directors' Proposal for the implementation of the Share Savings Programme 2024/2027

The Board of Directors proposes that the Annual General Meeting resolves to implement the Share Savings Program 2024/2027 mainly in accordance with the following terms:

Participants shall be offered to participate with a defined number of Investment Shares (see table below), which shall be allocated to the Share Savings Programme 2024/2027. If Investment Shares are acquired specifically for the Share Savings Programme 2024/2027, the investment shall be made no later than 31 May 2024.

The Share Savings Programme 2024/2027 shall be offered to: executives and key employees of PowerCell (up to a maximum of 31 individuals). Participants within each category shall be offered to participate with a maximum number of Investment Shares. For each Investment Share already held /acquired and allocated to the Share Savings Programme 2024/2027, the participant shall have the opportunity to be allocated Performance Shares free of charge. The maximum number of Investment Shares and Performance Shares that can be allocated in the Share Savings Programme 2024/2027, as well as the number of Performance Shares each Investment Share entitles to allocation, are detailed in the table below.

Participant Category	Maximum number of Investment Shares per person	Maximum number of Investment Shares per participant category	Maximum number of Performance Shares per Investment Share	Maximum number of Performance Shares per participant category
Group 1 – Chief Executive Officer (1 person)	10,000	10,000	10	100,000
Group 2 – Executives (10 persons)	5,000	50,000	8	400,000
Group 3 – Key Employees (20 persons)	1,000	20,000	6	120,000
In total		80,000		620,000

Vesting conditions for all participants

Performance Shares will only be allotted after they have been vested. Performance Shares can be vested in three instalments during the period from the start of the Share Savings Programme 2024/2027 until 31 May 2027 (the "**Vesting Period**"). One-third (1/3) of the Performance Shares can be vested per each of 31 May 2025, 31 May 2026, and 31 May 2027 (each a "**Vesting Date**"), subject to delayed vesting as described below.

Requirements for continued employment, retained Investment Shares, and return conditions

Allotment of Performance Shares requires that the participant's employment with the Company has not been terminated or resigned, with certain exceptions for customary "good leaver" situations, and that the participant retains the Investment Shares throughout the entire programme period. In the event a participant's employment terminates on "good leaver" terms during the performance period, the right to receive allotment of Performance Share rights will be proportionally reduced in relation to the remaining time of the performance period.

In addition to the provisions above, the vesting of Performance Shares is conditioned upon the achievement of a performance criteria (the "**Performance Criteria**") regarding the Company's average annual total return (the "**Total Return**"). The Performance Criteria includes returns to shareholders in the form of share price appreciation plus reinvestment of any dividends on PowerCell's common stock. For Performance Shares to vest, the Total Return must have increased by at least 6 per cent at each Vesting Date (the "**Threshold Level**"). The maximum number of Performance Shares that may vest at each Vesting Date will vest if the Total Return exceeds 19 per cent (the "**Maximum Level**"). For Total Return between 6 and 19 per cent, Performance Shares are vested linearly in relation to the achievement of the target between the Threshold Level and the Maximum Level.

Total Return shall be determined by comparing the volume-weighted average trading price of PowerCell's share during 20 trading days following 25 April for each year when the Vesting Date occurs and comparing it to the volume-weighted average trading price of PowerCell's share during 20 trading days following 25 April 2024. No Performance Shares will be allocated before 31 May 2027.

In the event the Total Return is less than the Threshold Level at a Vesting Date, the Performance Shares subject to vesting at such Vesting Date will not be considered vested. For the fulfilment of target between the Threshold Level and the Maximum Level at a Vesting Date, Performance Shares will vest linearly. Performance Shares that are not vested at a Vesting Date may instead vest at a later Vesting Date if the Total Return for the Company's common share at a later Vesting Date exceeds the Threshold Level. This means, for example, that if no Performance Shares vests during the initial two Vesting Periods, but the Company meets the Performance Target during the third Vesting Period in a way that corresponds to the Maximum Level for all three Vesting Periods, the maximum number of Performance Shares for the entire programme shall be allotted to participants.

Applications to participate in the Share Savings Programme 2024/2027 must be submitted to the Company no later than 31 May 2024. The allotment of Performance Shares to participants shall be made as soon as the number of vested Performance Shares has been determined, i.e., no earlier than 31 May 2027.

The Board of Directors shall have the right to extend the application period in extraordinary circumstances (for example, but not limited to, if the application is not possible/inappropriate according to/in light of the Market Abuse Regulation (596/2014) ("MAR")), however, no later than 31 October 2024. If this occurs, the Vesting Date, the period for calculating Total Return, and other time specifications in the Share Savings Programme 2024/2027 shall be postponed accordingly.

Vested Performance Shares will be allocated no earlier than three years after the start of the programme (i.e., no earlier than 31 May 2027).

Acceleration of vesting, under certain conditions, will occur if a merger is completed in which the Company is merged into another company or in the event of a public takeover offer for all shares in the Company where more than 2/3 of the shares in the Company are acquired by the bidder, including shares acquired by the bidder or a person closely related to the bidder, outside, but in connection with, the offer.

Vesting is conditional on the participant continued employment with the Company, and that the employee has not resigned as of the date of vesting. If a participant ceases to be employed or resigns from employment in the Company before a Vesting Date, vesting will not occur.

Participants may exercise allotted and vested Performance Shares from allocation until 1 September 2027. The Board of Directors may, in individual cases, resolve to extend the exercise period if participants, due to applicable regulations (for example, but not limited to, MAR), are unable to exercise Performance Shares during the original exercise period, but not later than 31 December 2027.

Each allocated and vested Performance Share entitles the participant to receive one warrant of series 2024/2028 free of charge, entitling the participant to subscribe for one share in PowerCell at a price corresponding to the quota value of the share at the time of subscription (currently SEK 0.022). The number of shares in PowerCell that each warrant of series 2024/2028 entitles the participant to subscribe for may be subject to adjustment due to a bonus issue, split, preferential rights issue, and similar measures, whereby the adjustment terms in the full warrant terms (see section B below) shall apply.

Regarding employees residing outside Sweden, participation requires that such participation is in accordance with applicable laws, and that the Board of Directors, at its discretion, assesses that it can be done with reasonable administrative and economic efforts.

The terms for participation in the Share Savings Programme 2024/2027 shall be regulated in separate agreements with each participant. The Board of Directors shall be responsible for the design and management of the Share Savings Programme 2024/2027 within the framework of the main terms stated above.

B. The Board of Directors' proposal for the issuance of warrants of series 2024/2028

To enable the Company to deliver warrants, and indirectly shares, under the Share Savings Programme 2024/2027, the Board of Directors proposes that the Annual General Meeting resolves on the issuance of up to 806,000 warrants of series 2024/2028, of which 620,000 are intended to secure deliveries of warrants, and indirectly shares, to participants and 186,000 are intended to cover social costs, in accordance with the following.

With deviation from the shareholders' preferential rights, the right to subscribe shall be granted to PowerCell. The reason for the deviation from the shareholders' preferential rights is to implement a long-term incentive programme for employees of the Company or company within the Company's group.

Each warrant entitles the holder to subscribe for one (1) share in PowerCell during the period from 31 May 2024, or the later date of registration of the warrants, until 30 September 2028. New subscription of shares by virtue of the warrants shall be made at a price per share corresponding to the quota value of the shares at the time of subscription, which currently amounts to SEK 0.022 per share. The subscription price and the number of shares to which each warrant entitles may be subject to adjustment as a result of a stock split, consolidation of shares, new issue, and similar measures, in accordance with customary adjustment conditions. The warrants may, in accordance with customary adjustment conditions, be exercised before the subscription period as a result of, for example, liquidation or merger where PowerCell is merged into another company.

If the warrants are fully exercised, the share capital will increase by SEK 17,732.

Subscription of warrants shall be made no later than 1 June 2024. However, the Board of Directors shall have the right to extend the subscription period. Oversubscription is not permitted.

The warrants shall be issued free of charge.

The shares subscribed for by virtue of the warrants shall entitle the holder to dividends for the first time on the first record date for dividends that occurs after the subscription of shares through the exercise of the warrants has been executed.

The warrants shall otherwise be governed by the terms and conditions set out in the complete terms and conditions for the warrants of series 2024/2028.

The complete terms and conditions for the warrants of series 2024/2028 will be made available as stated under "Annual report and other documents".

C. The Board of Directors' proposal for approval of the transfer of warrants of series 2024/2028 and authorization to enter into swap agreements

The Board of Directors proposes that the Annual General Meeting resolves approve that the Company may transfer up to 620,000 warrants of series 2024/2028 free of charge to participants in connection with the exercise of vested Performance Shares in accordance with the Share Savings Programme 2024/2027 and the terms set forth in section A above.

The Board of Directors furthermore proposes that the Annual General Meeting resolves to approve that the Company may transfer up to 186,000 warrants of series 2024/2028 to third parties in order to secure PowerCell's obligations, including social security fees and preliminary payroll tax, in connection with the delivery of shares to participants in the Share Savings Programme 2024/2027. This can, for example, be achieved by the Company entering into a swap agreement with a third party.

Previous incentive programmes in PowerCell

The Company currently has an ongoing performance-based long-term incentive programme for senior executives and key employees (LTI 2021), which was adopted by the Annual General Meeting on 22 April 2021. LTI 2021 covers a maximum of 28 key individuals in the Company. The maximum number of performance share rights that can be allocated under LTI 2021 is limited to 390,601 (corresponding to the same number of shares in the Company). The so-called performance share rights mean that participants in the programme are entitled to receive one warrant in the Company for each performance share right free of charge, with a right for its holder to subscribe for one share in the Company at a price corresponding to the quota value of the share at the time the shares are subscribed for (currently SEK 0.022) provided that the performance conditions are met. After a vesting period of five years, participants will be allocated warrants in the Company free of charge, provided that certain vesting conditions are met. To be entitled to allocation of the performance share rights, participants must have chosen to maintain their employment with the Company during the relevant vesting period until 1 January 2026. The performance share rights vest gradually over approximately five years, corresponding to five periods until 1 January 2026.

Within the framework of LTI 2021, a total of 390,601 performance share rights have been allocated to date, corresponding to 390,601 warrants of series 2021:1.

In addition to the 390,601 warrants that can be allocated to participants in LTI 2021, the Annual General Meeting also resolved to issue an additional 122,727 warrants of series 2021:1. These additional warrants may be used to cover the Company's liquidity impact costs for LTI 2021. Based on allocated volumes, the maximum allocation and outcome within LTI 2021 currently amount to a total of 513,328 warrants of series 2021:1 that may be called upon, corresponding to a dilution of approximately 0.97 per cent calculated based on the number of shares in the Company on the day of the notice.

Dilution effect

The Board of Directors' proposal for the issuance of warrants of series 2024/2028 according to section B. above entails a dilution effect corresponding to a maximum of approximately 1.5 per cent of the shares and votes in the Company if the proposed warrants are fully utilized, including securing costs for the Share Savings Programme. The dilution effect is calculated as the ratio between the additional shares that the warrants will be utilized for and the number of current shares and the additional shares that the warrants will be utilized for. Remaining warrants shall be cancelled and shall therefore not entail any dilution for the shareholders.

Estimated costs for the Share Savings Programme 2024/2027

The Board of Directors' assessment is that the Share Savings Programme 2024/2027 will entail costs mainly related to administration, accounting personnel costs, and social security fees.

The costs for the Share Savings Programme 2024/2027, as reported in the income statement, are calculated in accordance with the accounting standard IFRS 2 and are amortised over the term of the programme. The calculation has been performed based on the following assumptions: (i) a share price of SEK 28 at the time of investment, (ii) 100 per cent of the maximum number of Investment Shares are acquired, thus (iii) 100 per cent of the maximum number of Performance Shares are allocated to the participants, (iv) an annual employee turnover rate of 8 per cent during the term, (v) 75 per cent of the maximum number of Performance Shares are vested during the term (corresponding to an annual share price increase of 15.75 per cent), and (vi) that the share price at the allocation of warrants of series 2024/2028 to participants amounts to SEK 43.42. In addition, the costs for the programme have been based on the assumption that the programme includes 31 participants, that each participant makes a maximum investment, and that all Investment Shares remain at the end of the term.

The total estimated costs for the programme according to IFRS 2 amount to approximately SEK 6.8 million excluding social security fees (approximately SEK 9.0 million at an average fulfilment of the Performance Target of 75 per cent). The costs for social security fees are estimated to amount to approximately SEK 4.9 million, based on the above assumptions, and assuming an annual share price increase of 15.75 per cent during the programme's term and a social fee tax rate of 31.42 per cent (approximately SEK 7.2 million at an average fulfilment of the Performance Targets of 100 per cent).

The estimated average annual costs of SEK 3.9 million, including social security fees, correspond to approximately 4.0 per cent of the PowerCell Group's total employee costs for the financial year 2023.

All calculations above are preliminary and are solely intended to provide an illustration of the costs that the Share Savings Programme 2024/2027 may entail. Actual costs may therefore deviate from what is stated above.

Effects on key ratios

The group's unrestricted equity as of 31 December 2023, amounted to SEK 275 million. The estimated annual costs for the programme of SEK 3,9 million in accordance with the above (under the assumptions provided) corresponds to approximately 1.4 per cent of the unrestricted equity.

Preparation of the Proposal

The proposal has been prepared by the Board of Directors together with external advisors. No employee who may be included in the Share Savings Programme 2024/2027 has participated in the formulation of the terms and conditions thereof.

Majority requirement

The Board of Directors' proposal for Share Savings Programme 2024/2027 in accordance with section A. above, the issuance of warrants of series 2024/2028 in accordance with section B. above, and the transfer of warrants pursuant to section C. above, constitute an overall proposal and shall be adopted as one decision. A valid decision requires the support from shareholders representing at least nine-tenths (9/10) of both the votes and the shares represented at the shareholders' meeting.

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

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

The number of shares that could be issued, or the number of shares that could be subscribed for through warrants, or the number of shares that convertibles could be converted into shall amount to a total maximum of 9,201,606 new shares representing a dilution amounting to 15 per cent.

The purpose of the authorization and the reason to deviate from the preferential right of the shareholders is that issues shall be possible for financing the Company's business, commercialisation and development of the Company's products and markets and/or acquisition of businesses, companies, or parts of companies and/or enable a broadening of the owner base of the Company.

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

19. Resolution regarding adjustment authorization

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

Number of shares and votes

The total number of shares and votes in the Company on the date of this notice is 52,142,434. The Company holds no own shares.

Information

Where so requested by any shareholder and the Board of Directors deems that it can take place without serious harm to the Company, the Board of Directors and the CEO shall provide information regarding circumstances which may have an impact on the assessment of an item on the agenda and any circumstances which may have an impact on the assessment of the financial position of the Company. The obligation to provide information also refers to the Company's relationship to other group companies and consolidated accounts as well as such relationships regarding group companies as referred to above.

Annual report and other documents

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

Processing of personal data

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

Gothenburg in March 2024

Powercell Sweden AB (publ)

The Board of Directors

About PowerCell

PowerCell is a world leader in hydrogen electric solutions with unique fuel cell stacks and systems. With decades of experience, we use our expertise to accelerate the transition to an emission-free, more sustainable world. We target industries such as aviation, marine, off-road, on-road and stationary power generation. With our cutting-edge products we help our customers to reach net zero emissions already today.

PowerCell Sweden AB

PRESS RELEASE

26 March 2024 17:20:00 CET

We are headquartered in Gothenburg, Sweden with sales globally. PowerCell is listed on Nasdaq Stockholm.

To read more about our products and services, visit powercellgroup.com.

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

Attachments

[Notice to attend the annual general meeting of PowerCell Sweden AB \(publ\)](#)