

## **NOTICE TO ATTEND LMK GROUP AB (PUBL)'S ANNUAL GENERAL MEETING**

The shareholders of LMK Group AB (publ), reg. no. 559021-1263 ("**LMK Group**" or the "**Company**"), are hereby given notice to attend the annual general meeting to be held on Thursday, 27 April 2023 at 15.00 pm at Freys Hotel Lilla Rådmannen på Rådmansgatan 67, 113 60 Stockholm, Sweden. The convention hall opens for registration to the annual general meeting at 14.15 pm.

### **Participation**

Shareholders are entitled to participate in the annual general meeting if they:

*are* entered in the share register maintained by Euroclear Sweden AB on Wednesday, 19 April 2023;

*and* have notified the Company at the latest on Friday 21 April 2023 in one of the following ways:

- by email to [ir@lmkgroup.se](mailto:ir@lmkgroup.se); or
- in writing to address: LMK Group AB (publ), Att. Erik Bergman Lofströms Allé 5 (3tr), 172 66 Sundbyberg.

The notification must include the shareholder's name, personal ID number or company registration number, address, telephone number, and any potential assistants. Shareholders represented by proxy should submit proxy forms well in advance of the meeting.

The personal data obtained from the share register maintained by Euroclear Sweden AB, the notification of participation at the annual general meeting and the information regarding proxies and assistants will be used for registration, preparation of the voting register for the annual general meeting and, where applicable, minutes from the annual general meeting. The personal data will only be used for the annual general meeting 2023. For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

### **Nominee registered shares**

In order to be entitled to participate at the annual general meeting, shareholders whose shares are registered in the name of a nominee through a bank or other nominee must re-register their shares in their own names. Such voting registration, which may be temporary, must be duly effectuated no later than four banking days before the general meeting, i.e. on Friday 21 April 2023 to be considered in preparations of the share register. Shareholders should inform their nominees well in advance of this date.

### **Proxies, etc.**

Shareholders represented by proxy shall issue a written and dated power of attorney for the proxy holder or, if the right to represent the shareholder's shares is divided between different persons, the proxy holders stating the number of shares represented by each proxy holder. The power of

attorney is valid for a maximum of one year after being signed, or during the longer valid time stated in the power of attorney, thus for a maximum of five years. If the power of attorney is issued by a legal person, an authorised copy of the registration certificate or similar should be attached, proving the authority of the issuer of the power of attorney to sign on behalf of the legal person. A copy of the power of attorney and a certificate of registration, if applicable, should in ample time before the meeting be sent to the Company by post or by email on the addresses stated above. A template power of attorney is available at the Company's website, [www.lmkgroup.se](http://www.lmkgroup.se) and will, free of charge, be sent to the shareholders who request the Company to do so and state their postal address.

### **Shareholders' right to request information**

The board of directors and the CEO shall, upon request by any shareholder and where the board of directors deems it possible without causing significant harm to the Company, provide information in respect of any circumstances which may affect the assessment of a matter on the agenda and any circumstances which may affect the assessment of the Company's or a subsidiary's financial position, or of the Company's relationship to other group companies.

### **Proposed agenda**

1. Opening of the meeting.
2. Election of the chairman of the meeting.
3. Preparation and approval of the voting register.
4. Approval of the agenda.
5. Election of one or two persons to verify the minutes.
6. Determination of whether the meeting has been duly convened.
7. Presentation of the annual report and auditor's report, as well as the consolidated financial statements and the auditor's report on the consolidated statements.
8. Resolution regarding adoption of the income statement and balance sheet, as well as the consolidated income statement and the consolidated balance sheet.
9. Resolution regarding allocation of the Company's profits in accordance with the approved balance sheet.
10. Resolution regarding discharge from liability the board members and the CEO.
11. Determination of fees to be paid to the board members and to auditors.
12. Election of board members and auditors.

13. Resolution on the adoption of a long-term incentive program for key employees in the form of warrants and resolution regarding issue of warrants (Warrant Program 2023/2025).
14. Resolution regarding amendment of the articles of association.
15. Closing of the annual general meeting.

**Item 2 – Election of chair of the general meeting.**

The nomination committee proposes the election of the chairman of the board of directors Mathias Hedlund as chairman of the annual general meeting.

**Item 9 – Resolution to allocate the Company's profit in accordance with the approved balance sheet.**

The board of directors proposes that of unappropriated earnings of SEK 490,884,296 a dividend of SEK 0,30 per share shall be paid, corresponding to a total amount of SEK 3,803,578. The record date of the dividend is proposed to be the 2 May 2023 and the day of payment 5 May 2023.

**Item 11 – Determination of fees for the board members and auditors.**

The nomination committee proposes the following fees to the board members and auditors:

- A. A fee to each of the board members by SEK 200,000 and a fee to the chairman of the board by SEK 500,000.
- B. A fee to the auditor shall be in accordance with approved invoices.

**Item 12 – Election of board members and auditors.**

The nomination committee proposes the following:

- A. The number of ordinary board members shall be five (5).
- B. The number of auditors shall be one (1).
- C. Re-election of board members for the time until the next annual general meeting:
  - a. Charlotte Gogstad (board member since 2021);
  - b. Therese Reuterswärd (board member since 2021); and
  - c. Johan Kleberg (board member since 2022).

Mathias Hedlund and Gert Munthe has declined re-election.

D. New election of board members for the time until the next annual general meeting:

a. Petter von Hedenberg.

Petter von Hedenberg, born in 1979, has a degree in economics at the Norwegian School of Business, BI. Current position: Working chairman of the board of Mood Holding, as well as CEO of Angur invest. Petter was one of the founders of the agency group Mood Gruppen (owned by Mood Holding), as well as Godtlevert.no (now part of LMK Group).

Petter holds 1,295,043 shares in LMK Group, at the time of this notice.

b. Olle Qvarnström.

Olle Qvarnström, born 1990, is an entrepreneur and investor where he mainly works in the role of active owner in his investments. In 2015, Olle Qvarnström founded the Investor Relations company Finwire Media & Service AB. Since 2019, he has been CEO and largest owner of Royal court supplier Svenska Medalj AB.

Olle owns 729,863 shares in LMK Group private and via companies at the time of this notice.

E. Election of the chairman of the board for the time until the next annual general meeting:

a. Petter von Hedenberg.

F. Re-election of the registered auditing firm for the time until the next annual general meeting, in accordance with the nominations committee:

a. KPMG AB.

Should the annual general meeting confirm the nomination committee's proposal and elect KPMG AB as auditing firm, KPMG AB has informed that the registered auditor Fredrik Westin is appointed as auditor in charge.

**Item 13 – Resolution regarding the adoption of a long-term warrant program for senior executives and key employees.**

The board of directors proposes that the annual general meeting 2023 resolves on a long-term warrant program ("**Warrant Program 2023/2025**") by way of issuance of warrants in the Company in accordance with the below.

**Background and rationale**

The board of directors considers it to be in the interest of the Company and the shareholders that certain senior executives and certain other key employees in the Company are made part of the Company's development by being offered warrants. The reasons for the proposal are to contribute to the possibilities to retain and attract key competence and to increase motivation for senior executives and certain other key employees in the Company by being involved in and working for a

positive value increase of the Company's shares during the period covered by the Warrant Program 2023/2025.

In light of the terms and conditions, size of allotment and other circumstances, the board of directors considers Warrant Program 2023/2025, in accordance with the below, to be reasonable and advantageous for the Company and its shareholders.

Should the board of directors consider it to be appropriate, and the requirements hereto according to the Swedish Companies Act (Sw. *aktiebolagslagen*) are satisfied, the board of directors may, at the time of exercise of the warrants, resolve to offer the participants of Warrant Program 2023/2025 a cashless exercise by way of a buy-back of warrants to the market value.

### **The board of directors' proposal for resolution on implementation of the Warrant Program 2023/2025 and issue of warrants**

The board of directors proposes that the annual general meeting of the Company resolves to issue warrants and implement Warrant Program 2023/2025 in accordance with the following terms:

Warrant Program 2023/2025 shall consist of no more than 380,000 warrants. Therefore, the board of directors proposes that the annual general meeting 2023 resolves to issue no more than 380,000 warrants of series 2023/2025.

The right to subscribe for warrants in Warrant Program 2023/2025 shall, with deviation from the shareholders' pre-emption rights, be granted to the participants in Warrant Program 2023/2025. Participants may also, following the approval of the Company, subscribe for warrants through a company controlled by the participant, and what is said about participants below shall in such cases apply accordingly to such controlled company. The reason for the deviation from the shareholders' pre-emption rights is to implement a long-term incentive program for certain senior executives and other key employees within the Company. The warrants shall be issued to the participants in Warrant Program 2023/2025 without consideration.

The allotment of warrants to participants in Warrant Program 2023/2025 requires that the participants, or a company controlled by the participant, acquires shares in the Company during a certain period ("**Participation shares**"). For every acquired Participation share, the participants in Warrant Program 2023/2025 can be allotted two (2) warrants in the Company without consideration. Participants may acquire Participation shares during the period 3 May 2023 – 31 May 2023 (the "**Share Acquisition-period**"). However, the board of directors are entitled to extend the Share Acquisition-period. The Participation shares shall be acquired, either from a third party which has been assigned by the Company to acquire the Participation shares on the market and thereafter transfer the Participation shares to the participants for the purpose of enabling an appropriate implementation of Warrant Program 2023/2025, or by the participant itself on the market. The board of directors will resolve which of the two above-mentioned acquisition methods that should be applied. If a participant's acquisition of Participation shares is made from a third party, the acquisition shall be made at market value of the Participation shares, calculated as the average price of the Participation shares acquired by the third party on the market.

Subscription for warrants shall be made during the period 3 May 2023 – 31 May 2023. However, the board of directors are entitled to extend the subscription period.

Each warrant entitles to subscription for one (1) share in the Company during the period from 2 June 2025 up to and including 2 September 2025, whereby the board of directors in the Company

in individual cases shall have the right to extend the exercise period for all participants up to and including 15 October 2025 if the participant due to applicable rules is unable to exercise the warrants during the initial exercise period.

Subscription of new shares by way of exercising warrants during the period from and including 2 June 2025 up to and including 2 September 2025 shall be made to a price per share (the "**Exercise Price**") corresponding to 200 per cent of the volume-weighted average trading price of the Company's share on Nasdaq First North Premier Growth Market during the period from 3 May 2023 up to and including 10 May 2023 (whereby the calculated Exercise Price shall be rounded to the nearest tenth of a Swedish krona, whereby SEK 0.05 shall be rounded up).

The Exercise Price may not be less than the quota value of the shares. In the event that the Exercise Price exceeds the quota value of the share, the part of the Exercise Price exceeding the shares' quota value shall be allotted to the unrestricted premium reserve.

The Exercise Price and the number of shares that each warrant of series 2023/2025 entitles to may be subject to recalculation in the event of a share split, reverse share split, new issue of shares, etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied. If the warrants are exercised in full, the share capital will increase by SEK 35,070.80. There can be no over-subscription.

The right to subscription of warrants within Warrant Program 2023/2025 shall be made in accordance with the following guidelines:

<b>Participant</b>	<b>Maximum number of warrants</b>
CEO	80,000 warrants
CFO	40,000 warrants
CSCMO	40,000 warrants
CCO	40,000 warrants
CTO	40,000 warrants
COO	40,000 warrants
Certain key employees (amount: 10)	100,000 warrants (10,000 warrants per person)
<b>Total:</b>	<b>380,000 warrants</b>

The maximum number of warrants per participant is dependent on the participant's position and responsibility within the group.

The market value of the warrants shall be calculated in accordance with the Black & Scholes valuation formula by an independent valuation firm appointed by the Company, PricewaterhouseCoopers, as per 10 May 2023. An example calculation according to the Black & Scholes formula based on the assumption of an, since 28 March 2023, unchanged share price of SEK 7.7, results in a warrant value of SEK 0.43 per warrant, whereby the following input have been used in the Black & Scholes calculation:

Exercise price: SEK 15.3 (200% of the share price of SEK 7.7)  
Risk-free interest: 2.78%  
Volatility: 43%  
Duration (years): 2.3

The calculation aims only to present an example and the option value according to the final calculation, which will be conducted by PricewaterhouseCoopers as per 10 May 2023, may deviate from the example above.

Since the participants will receive the warrants without consideration, they will be subject to tax on benefits for the benefit, i.e. a value corresponding to the market value of the warrants, at the time of receipt.

The warrants shall be governed by separate agreements between each participant and the Company. In the agreement, the participant undertakes to only exercise held warrants during the period 2 June 2025 – 2 September 2025 whereby the board of directors in the Company in individual cases shall have the right to extend the exercise period for all participants up to and including 15 October 2025 if the participant due to applicable rules is unable to exercise the warrants during the initial exercise period.

Vesting of the warrants shall, under certain conditions, be accelerated and the exercise period may, under certain conditions, be brought forward in the event of a merger where the Company is absorbed by another company or in case of a public offer for shares in the Company. In the agreement between the participant and the Company, the Company also reserves the right to, under certain conditions, purchase the warrants from the participant if the participant's employment within the Company terminates or if the participant acts in material breach of its employment agreement or the warrant agreement. Such purchase shall, depending on the circumstances resulting in the purchase, be made at the market value of the warrants or the lower of the market value of the warrants at the time of receipt of the warrants or the market value of the warrants by the time of the purchase. With the exception of purchases in connection with dismissal from employment (*Sw. avskedande*), termination due to personal reasons (*Sw. uppsägning av personliga skäl*) and the participant's material breach of the employment agreement or the warrant agreement, the right of the Company to repurchase the warrants expires on [2 June] 2025. The agreements will otherwise contain customary terms.

The board of directors shall be responsible for the preparation and management of Warrant Program 2023/2025 within the above-mentioned terms. If the board of directors considers that it is in the Company's interest to deviate from the provisions regarding repurchase of warrants in an individual case, the board of directors shall be entitled to make such a deviation.

#### **Dilution effect and costs, etc.**

The board of directors' proposal to resolve on issuance of warrants entails a dilution effect corresponding to a maximum of approximately 3.00 per cent of the shares and votes in the Company if the proposed warrants are exercised in full. The dilution effect is calculated as the relation between the additional shares that the warrants will be exercised for and the sum of the current number of shares and the additional shares that the warrants will be exercised for. Warrant Program 2023/2025 is expected to have only marginal effects on the Company's key ratios.

Since the warrants will be issued to the participants without consideration, Warrant Program 2023/2025 will result in costs for the Company, partly in the form of accounting salary costs

(corresponding to the benefit value), partly in the form of social security costs. If all warrants that can be issued within Warrant Program 2023/2025 are allotted to the participants, and the market value of the warrants at the time of the receipt corresponds with the exemplary Black & Scholes-calculation according to the above, the accounting salary costs are expected to amount to approximately SEK 140 000 and the social security costs to approximately SEK 36 000.

#### **Deviation from the Swedish Stock Market Self-Regulation Committee's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes**

In accordance with the remuneration rules of the Swedish Stock Market Self-Regulation Committee, it shall be specified and justified why a vesting period or period from the commencement of the agreement until a share may be acquired is less than three years.

The reason for the duration of Warrant Program 2023/2025 being less than three years is that the board of directors has made the assessment that a longer duration than the proposed, not sufficiently, would contribute to the ability to retain and attract key competence and increase motivation for the executive management and other selected key employees in the Company.

#### **Preparation of the proposal**

The proposal has been prepared by the board of directors together with external advisors.

#### **Item 14 – Resolution regarding amendment of the articles of association**

The board of directors proposes that the annual general meeting resolve on an amendment in the articles of association regarding the company's registered office:

	<b>Current wording</b>	<b>Proposed wording</b>
§ 2	The registered office of the company is in the municipality of Stockholm	The registered office of the company is in the municipality of Sundbyberg

The board of directors is authorized to make the adaptations necessary to register the change at the Swedish Companies Registration Office.

#### **Other information**

##### ***Shares and voting rights***

The Company's shares amount to 12,678,592 shares, corresponding to 12,678,592 votes.

##### ***Majority rules***

A resolution in accordance with the board of directors' proposals pursuant to item 13 on the agenda will only be validly adopted if shareholders holding no less than nine tenths (9/10) of both the votes cast and the shares represented at the meeting vote in favour of the resolution.



For a valid resolution pursuant to item 14, the proposal must be supported by not less than two thirds (2/3) of both the votes cast and the shares represented at the general meeting.

**Further information**

The nomination committee's complete proposals and thereto attached statements are available at the Company's office and on the Company's website, [www.lmkgroup.se](http://www.lmkgroup.se), and will be sent free of charge to the shareholders that so requests and state their postal address. Accounting documents and the auditor's report, as well as the board of directors' complete proposals will be made available at the Company and on the Company's website no later than on 6 April 2023, and will, as a consequence, be sent free of charge to shareholders that so requests and state their postal address.

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Stockholm, March 2023  
LMK Group AB (publ)  
The board of directors