

Unofficial English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

THE BOARD'S PROPOSAL FOR RESOLUTION ON A DIRECTED ISSUE OF WARRANTS AND APPROVAL OF TRANSFER OF WARRANTS

The Board proposes that the general meeting resolve on a directed issue of warrants with the right to subscribe for new shares in the company, in accordance with the below proposal.

The Board's proposal entails that the general meeting shall decide on a directed issue of 200,000 warrants with the right to subscription of new shares in the company, principally in accordance with the following conditions.

1. The warrants are issued free of charge. Each warrant will give the right to subscribe for one new share in the company, thus the share capital of the company can increase with a maximum of SEK 508,000 if the warrants are fully utilised.
2. The right to subscribe for warrants shall, with a deviation from the shareholders' preferential rights, be granted the company's fully owned subsidiary Concentric Skånes Fagerhult AB.
3. Subscription to the warrants shall be made no later than 30 June 2020, with the Board reserving the right to extend this time limit.
4. The warrants can be exercised to subscribe for shares in the company from the registration of the warrants with the Swedish Companies Registration Office and up to and including 31 December 2023.
5. A warrant entitles its holder to subscribe for one new share in the company for a subscription price corresponding to the share's quota value, SEK 2.54¹.
6. The new shares issued under the warrants shall entitle to dividend as from the first record date for dividend to occur after the registration of the new shares with the Swedish Companies Registration Office.
7. The number of shares issued under each warrant may be recalculated in accordance with recalculation principles due to a bonus issue, share split or consolidation, rights issue and/or any similar event.

The complete terms for and provisions on re-calculation of the warrants may be found in Swedish in [Appendix 1](#).

¹ Information about the number of shares, increase of share capital, quota value etc. in this proposal is based on the numbers after the reduction of share capital with retirement of shares and increase of share capital through a bonus issue, proposed as item 13 on the agenda. Should the general meeting not resolve upon item 13 there would instead be 39,224,100 registered shares, each with a quota value of SEK 2.48 (share capital of SEK 97,275,768), prior to a resolution in accordance with this item. This proposal would then result in a maximum share capital increase of SEK 496,000 and the exercise price would be SEK 2.48. The full dilution would still be 0.5 per cent of the number of shares and votes.

Reason for the deviation from the shareholders' preferential right

The reason for deviating from the shareholders' preferential rights is that the company wishes to implement an incentive programme for senior executives and key employees within the group, by which they can be offered the opportunity to take part in an increase in the company's share value.

Dilution

At full utilisation of the warrants, the number of outstanding shares in the company will increase by 200,000. These shares constitute 0.5 per cent of the number of shares and votes after full dilution, calculated as the number of new shares in relation to the number of existing and new shares in the company. Together with outstanding warrants under previous incentive programmes, the warrants will result in a combined dilution of approximately 1.4 per cent of the outstanding shares and votes in the company.

If the proposed warrants had been fully utilised throughout 2019, the company's basic and diluted earnings per share for the financial year 2019 would have been SEK 8.33 and SEK 8.22 per share respectively on a pro forma basis, instead of SEK 8.37 and SEK 8.27 per share respectively as reported.

In the event that repurchased shares, or shares transferred by a third party under a swap agreement, (in accordance with the Board's proposal for acquisition and transfer of own shares and the Board's proposal of LTI 2020, respectively) are fully or partly transferred to the participants in LTI 2020 instead of warrants, the dilution will be reduced.

Transfer of the warrants

Furthermore, the Board proposes that the general meeting resolve to approve that Concentric Skånes Fagerhult AB, on one or more occasions, may transfer warrants to the participants in LTI 2020 in accordance with the terms and conditions of LTI 2020, and dispose of the warrants in order to cover costs related to, or fulfil obligations occurring under, LTI 2020.

Preparation of the matter

The Board's proposal has been prepared by the Board.

Special authorisation

The Board proposes that the Board, or anyone appointed by the Board, shall be entitled to make the minor adjustments to the above proposed resolution that may be necessary upon registration of the resolution with the Swedish Companies Registration Office or due to any other formal requirement.

Voting majority and condition for resolution

The general meeting's resolution under this proposal is valid only if it is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the general meeting.

The Board proposes that a resolution under this proposal be subject to the general meeting having resolved to pass the Board's proposal on LTI 2020 under item 14 on the agenda.

Concentric AB (publ)
The Board of Directors