

Press Release

30 March 2022 08:00:00 CEST

## Notice of Annual General Meeting in Hemply Balance Holding AB (publ)

**The shareholders of Hemply Balance Holding AB (publ) company registration number 559206-7168, ("the Company") are hereby invited to attend the Annual General Meeting on Wednesday 27 April 2022 at 5.00 pm. Due to the corona virus, the Board of Directors has resolved that the Annual General Meeting shall be conducted without the physical presence of shareholders, proxies and outsiders, and that shareholders shall have the opportunity to exercise their voting rights only by mail prior to the meeting in accordance with the Act (2022:121) on temporary exemptions to facilitate the conduct of general meetings of companies and associations. The Company welcomes all shareholders to exercise their voting rights at the meeting by advance voting (postal voting) in the order described below**

The information on the decisions taken at the meeting will be published on Wednesday 27 April 2022 as soon as the results of the voting have been finalized.

### **A. Right to attend the meeting, etc.**

#### *Registration*

Anyone wishing to attend the General Meeting must:

be registered in the share register maintained by Euroclear Sweden AB on the record date, Tuesday 19 April, and,

notify their participation no later than Tuesday 26 April, by submitting a completed postal voting form and, where applicable, proxies, registration certificates and other corresponding authorization documents in accordance with the instructions under the heading "Information on postal voting" below.

#### *Shares registered with the trustee*



Shareholders who have their shares registered in the name of a nominee through a bank or other nominee must, in order to be entitled to participate in the meeting, request the nominee to enter their shares in their own name in the share register at Euroclear Sweden AB (so-called voting right registration). The trustee must have completed the registration of voting rights with Euroclear Sweden AB by Thursday 19 April at the latest, which means that shareholders who wish to register their voting rights must notify the trustee well in advance of the said date.

## **B. Information on postal voting**

The company has decided that shareholders shall be able to exercise their voting rights only by postal vote by virtue of the Act (2022:121) on temporary exemptions to facilitate the conduct of general meetings and meetings of associations. This means that the Annual General Meeting will be held without the presence of shareholders, proxies and outsiders, i.e. there will be no meeting with the possibility to physically attend

A postal voting form will be available on the Company's website, [www.hemplybalance.com](http://www.hemplybalance.com), from Wednesday 30 March. The postal voting form must be completed and received by the Company no later than Tuesday 26 April.

Please send the form by e-mail to [investor.relations@hemplybalance.com](mailto:investor.relations@hemplybalance.com). A postal vote can be withdrawn until Tuesday 26 April by sending an e-mail to [investor.relations@hemplybalance.com](mailto:investor.relations@hemplybalance.com). If two or more forms have the same date, only the form received last will be considered.

The shareholder cannot give any instructions other than to mark one of the answer options at each item of the form. If the shareholder has added special instructions or conditions to the form, or changed or added to the pre-printed text, the postal vote is invalid. Further instructions can be found in the postal voting form.

Shareholders voting by proxy must issue a signed proxy for the proxy. If the proxy is issued by a legal entity, a certified copy of the certificate of incorporation or equivalent documentary evidence of the authorised signatory must be attached. The power of attorney is valid for one year from the date of issue, but may be valid for up to five years from the date of issue if specifically stated. The certificate of registration must not be more than one year old. The proxy and any registration certificate must be attached to the postal voting form. Proxy forms are available on the Company's website [www.hemplybalance.com](http://www.hemplybalance.com).



For questions about the Annual General Meeting, please contact the Company by e-mail at [investor.relations@hemplybalance.com](mailto:investor.relations@hemplybalance.com).

## **C. Proposed agenda**

Opening of the Annual General Meeting

Election of the Chairman of the Meeting

Establishment and approval of the voting list

Election of one or two recorders

Examination of whether the meeting has been duly convened

Approval of the agenda

Presentation of the consolidated financial statements and the auditor's report

Decision on:

Establishment of the consolidated income statement and balance sheet;

Disposition of the Company's profit or loss according to the approved balance sheet;

Discharge of the members of the Board of Directors and the Chief Executive Officer.

Decision on board and audit fees

Election of the Board of Directors and the Auditor

Resolution on incentive programme A series 1 to senior executives

Resolution on incentive program B series 2 to the Board of Directors

Authorisation for the Board of Directors to decide on issues of shares, warrants and convertibles

Closing of the meeting

## **D. Proposals for decisions**

The following proposals for resolutions follow the numbering of the agenda proposed by the Board.



## **Item 2 - Election of the Chairman of the Meeting**

The Board proposes that Carl-Fredrik Morander be elected Chairman of the Annual General Meeting.

## **Item 3 - Establishment and approval of the voting list**

The proposed voting list is the voting list prepared by the Company, based on the register of shareholders and the postal votes received, verified and approved by the tellers.

## **Item 4 - Election of one or two recorders**

The Board proposes Pingis Berg-Hadenius in the absence of one or both of them, the person or persons designated by the Board, as the persons to approve the minutes together with the Chairperson. The task of the persons responsible for the verification shall also include checking the voting list and that the postal votes received are correctly reflected in the minutes of the meeting.

## **Item 8(b) - Appropriation of the Company's profit or loss as shown in the approved balance sheet**

The Company proposes to dispose of the Company's results in accordance with the Board's proposal in the Annual Report. The Board of Directors further proposes that no dividend be paid for the financial year 2021.

## **Item 8(c) - Discharge of directors and chief executive officer**

The auditor recommends that the Annual General Meeting grants discharge from liability for the financial year 2021.

Discharge from liability is decided by individual resolutions for each member of the Board of Directors and the CEO in the following order:

Jonas Lenne, CEO (refers to interim period of financial year 2021);

Pingis Berg-Hadenius, Chairman of the Board (refers to the interim period of the financial year 2021);

Emil Sandin, Board member (refers to interim period of financial year 2021);

Johan Kleberg, Board member (refers to interim period of financial year 2021);



Mia Batljan, Board member (refers to interim period of financial year 2021);

Petter Ödeen, Board member (refers to interim period of financial year 2021).

## **Item 9 - Decision on Board and auditor fees**

The Board of Directors proposes that fees of SEK 85,000 be paid to non-employee members of the Board of Directors. No fee is proposed to be paid to the Chairman of the Board.

It is proposed that the auditor's fee be paid in the amount of the approved invoice.

## **Item 10 - Election of the Board of Directors and the Auditor**

The AGM proposes to re-elect Emil Sandin, Johan Kleberg and Mia Batljan as ordinary members of the Board. Furthermore, the Meeting proposes to re-elect Pingis Berg-Hadenius as Chairman of the Board.

Member Petter Ödeen has declined re-election.

Marta Kocher is proposed as a new member of the Board.

The AGM is proposed to re-elect BDO Mälardalen as the Company's auditor with Tomas Näsfeldt as Authorised Public Accountant and Auditor in Charge.

## **Item 11 - Resolution on incentive programme A series 1 to senior executives**

The Board of Directors proposes to adopt Incentive Plan A Series 1 as follows.

The Board of Directors of the Company proposes that the Annual General Meeting resolves to issue a maximum of 95,000 warrants, as a result of which the Company's share capital may be increased by a maximum of SEK 32,562.7287. There can be no oversubscription. The warrants shall carry the right to subscribe for 95,000 new shares in the Company.

### **Conditions**

The issue shall be subject to the following conditions:



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The warrants shall, with deviation from the shareholders' preferential rights, only be subscribed by the Company for subsequent transfer to current and future senior executives of the Company including the Company's CEO ("the Participants") in accordance with the resolution adopted by the AGM and instructions from the Company's Board of Directors.

Participants will be offered to acquire, each, a maximum of 25,000 warrants.

The warrants shall be subscribed for on a special subscription list in connection with the decision of the General Meeting. The Board of Directors shall have the right to extend the subscription period.

The Company shall issue the warrants free of charge. Each warrant entitles the holder to subscribe for one new share in the Company during the period from 1 April to 30 April 2025 or such earlier date as may be specified in the terms of the warrants. The subscription price shall be set at SEK 20.0 per new share in the Company.

The transfer of the Warrants from the Company to the Participants shall be made against payment of a premium per Warrant equal to the market value of the Warrant on the date of the transfer, calculated in accordance with the Black & Scholes valuation model.

The acquisition of warrants is conditional upon the Participant signing a special subscription agreement with the Company. The repurchase agreement means that the Company, or its designee, has the right to repurchase the warrants from the Participant under certain conditions. Such right of repurchase shall exist, for example, if the Participant's employment is terminated or if the Participant intends to transfer the Warrant to someone else.

The warrants shall also be subject to other conditions, including customary conversion conditions.

New shares subscribed for through the exercise of warrants carry the right to a dividend for the first time on the record date for the dividend that falls closest after the new issue has been registered with the Swedish Companies Registration Office and Euroclear Sweden AB.



It is proposed that the Board of Directors, until the date of transfer of the warrants, be authorised to make such adjustments to the terms and conditions of the programme as the Board of Directors deems necessary in view of the prevailing conditions on the stock market.

It is proposed that the Board of Directors or the person appointed by the Board of Directors be authorised to make such minor adjustments to this resolution as may be necessary in connection with registration with the Swedish Companies Registration Office and possibly with Euroclear Sweden AB.

### *Background and reasons for the proposal*

The purpose of the issue and the reason for the deviation from the shareholders' preferential rights is to implement incentive programme A series 1. The aim is to create the conditions for retaining and increasing the motivation of current and future senior executives. The Board of Directors believes that it is in the interest of all shareholders that employees, who are deemed to be important for the further development of the Company, have a long-term interest in a good development of the value of the shares in the Company. Long-term shareholder engagement is expected to stimulate an increased interest in the business and the performance of the Company as a whole and to increase the motivation of the Participants and aims to achieve a greater community of interest between the Participant and the shareholders of the Company. Furthermore, the programme aims to attract competent employees to the Company.

### *Dilution effect*

If all warrants are exercised, the number of shares will increase by 95,000, which corresponds to a maximum dilution of approximately 3.7 percent of the total number of shares in the Company, taking into account the total number of shares at the time of the notice, and provided that all offered warrants are exercised.

### *Other outstanding warrants*

At the time of this notice, there are no outstanding warrants.

### *Costs*

The acquisition of warrants issued under Incentive Plan A Series 1 shall be at a price corresponding to the market value of the option, which means that the Company shall not incur any social security charges in connection with the subscription of warrants. The market value of the warrants shall be calculated according to the Black & Scholes valuation model. The costs will only consist of limited costs for the implementation and



administration of the issues. There is therefore no need to take any hedging measures for the programme. The programmes are expected to have a marginal impact on the Company's key figures.

### *Preparation of the proposal*

The proposed incentive scheme has been prepared by the Board of Directors of the Company in cooperation with external advisors.

### *Special authorization*

It is proposed that the Board of Directors or the person appointed by the Board of Directors be authorized to make such minor adjustments to this resolution as may be necessary in connection with registration with the Swedish Companies Registration Office and possibly with Euroclear Sweden AB.

*For a valid resolution under this paragraph, the proposal must be supported by shareholders holding at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.*

## **Item 12 - Resolution on incentive program B series 2 to the Board of Directors**

The shareholder Villanelle Ventures AB proposes that the Annual General Meeting adopt Incentive Scheme B Series 2 as set out below.

The shareholder Villanelle Ventures AB proposes that the general meeting of the Company resolves to issue a maximum of 30,000 warrants, as a result of which the Company's share capital may be increased by a maximum of SEK 10,282.967. There can be no oversubscription. The warrants shall entitle the holder to subscribe for 30,000 new shares in the Company.

### **Conditions**

The issue shall be subject to the following conditions:

The right to subscribe for the warrants shall, in derogation from the shareholders' preferential rights, only be subscribed for by the Company with the right and obligation, on one or more occasions, to sub-transfer the warrants to existing and new members of the Board of Directors against payment of a premium per warrant corresponding to the market value of the option according to the Black & Scholes valuation model.

The warrants shall be subscribed for on a special subscription list in connection with the resolution of the General Meeting.





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The company can at most offer to transfer a maximum of 10,000 warrants to each board member.

Each warrant entitles the holder to subscribe for one new share in the Company during the period from 1 April to 30 April 2025 or such earlier date as may be specified in the terms of the warrants. The subscription price shall be set at SEK 20 per new share

The warrants shall also be subject to other conditions, including customary conversion conditions.

New shares subscribed for through the exercise of warrants carry the right to a dividend for the first time on the record date for the dividend that falls closest after the new issue has been registered with the Swedish Companies Registration Office and Euroclear Sweden AB.

There will be no guaranteed allocation and no over-registration.

A precondition for the transfer or subscription of the warrants is that the participant enters into an agreement with the Company whereby the Company reserves the right to repurchase the warrants if the director's mandate is terminated or if the director in turn wishes to retransfer the warrants. Warrants shall be re-transferred to directors at a price equal to the market value of the warrant, which shall be calculated in accordance with the Black & Scholes valuation model or another accepted valuation model.

Payment for subscribed warrants shall be made no later than five working days after subscription. The Company has the right to subscribe to the warrants free of charge or at market value and the directors of the Company have the right to subscribe to the warrants at a premium equal to the market value of the option at the time of subscription, which shall be calculated according to the Black & Scholes valuation model.

It is proposed that the Board of Directors, until the time of transfer or subscription of the warrants, be authorised to make such adjustments to the terms and conditions of the programme as the Board of Directors deems necessary in view of the prevailing conditions on the stock market.

It is proposed that the Board of Directors or the person appointed by the Board of Directors be authorised to make such minor adjustments to this resolution as may be necessary in connection with registration with the Swedish Companies Registration Office and possibly with Euroclear Sweden AB.



## *Background and reasons for the proposal*

The purpose of the issue and the reason for the deviation from the shareholders' preferential rights is to implement incentive scheme B series 2. The shareholder Villanelle Ventures AB believes that it is beneficial for the Company to be able to offer board members a motivational shareholder engagement and the opportunity to participate in the Company's future value development. A long-term financial interest in the Company is believed to stimulate the interest of the Board members concerned in the Company's business, increase motivation and strengthen the commitment to the Company, which may be considered to stimulate an increased interest in the performance as a whole, which in the long term may be expected to lead to the Company achieving the best possible business and value development. Accordingly, Villanelle Ventures, the shareholder, considers it beneficial for the Company and the shareholders that the directors are thus offered to subscribe for or acquire warrants in the Company.

## *Dilution effect*

If all warrants are exercised, the number of shares will increase by 30,000, corresponding to a maximum dilution of approximately 1.2 percent of the total number of shares in the Company, taking into account the total number of shares at the time of the notice and assuming the exercise of all offered warrants.

## *Other outstanding warrants*

At the time of this notice, there are no outstanding warrants.

## *Valuation and costs of the programme*

Subscription of the warrants and acquisition shall take place at a price corresponding to the market value of the warrants in the programme, which means that the Company shall not incur any social security charges in connection with the subscription of warrants. The market value of the warrants shall be calculated according to the Black & Scholes valuation model at each subscription and transfer date.

As the warrants are acquired at market value, it is the Company's assessment that no social costs will be incurred by the Company as a result of the issues or any acquisitions. The costs will therefore only consist of limited costs for the implementation and administration of the issues and future transfers. There is therefore no need to take any measures to hedge the programme. The programmes are expected to have a marginal impact on the Company's key figures.



## *Costs*

Subscription of warrants issued under the 2022/2025 series 2 incentive programme shall be at a price corresponding to the market value of the option, which means that the Company shall not incur any social security charges in connection with the subscription of warrants. The market value of the warrants shall be calculated according to the Black & Scholes valuation model. The costs will only consist of limited costs for the implementation and administration of the issues. There is therefore no need to take any hedging measures for the programme. The programmes are expected to have a marginal impact on the Company's key figures.

## *Special authorization*

It is proposed that the Board of Directors or the person appointed by the Board of Directors be authorized to make such minor adjustments to this resolution as may be necessary in connection with the registration with the Swedish Companies Registration Office and possibly with Euroclear Sweden AB.

## **Item 13 - Authorization for the Board of Directors to decide on issues of shares, warrants and convertibles**

It is proposed that the Annual General Meeting authorize the Board of Directors - on one or more occasions and at the latest until the next Annual General Meeting - to decide to increase the Company's share capital by issuing new shares and to issue warrants and convertibles to the extent permitted from time to time under the Articles of Association.

New issues of shares, as well as issues of warrants and convertibles, may be made with or without derogation from the shareholders' preferential rights and with or without provision for contribution in kind, set-off or other conditions. Pursuant to Chapter 16 of the Swedish Companies Act, the Board of Directors may not, by virtue of this authorization, decide on issues to members of the Board of Directors, employees and others.

The purpose of the authorization is to increase the Company's financial flexibility and the Board's room for manoeuvre. If the Board of Directors decides to issue shares with a derogation from the shareholders' preferential rights, the reason shall be to enable



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external capital raising (by new owners of strategic importance to the Company or otherwise), for the financing of the Company's operations, the commercialization and development of the Company's products and/or the acquisition of other companies or businesses.

*The resolution referred to in this paragraph shall be valid only if supported by shareholders holding at least two-thirds (2/3) of both the votes indicated and the shares represented at the General Meeting.*

### **E. Information, documents and number of shares and votes**

Shareholders have the right to request information from the Board of Directors and the Managing Director in accordance with Chapter 7, Section 32 of the Companies Act concerning circumstances that may affect the assessment of an item on the agenda and circumstances that may affect the assessment of the Company's financial situation. The Board of Directors and the Managing Director shall disclose such information if the Board of Directors considers that this should be done without material harm to the Company.

The duty of disclosure also applies to the Company's relationship with another group company, the consolidated financial statements and the relationships mentioned above with respect to subsidiaries.

Requests for such information must be submitted in writing to the Company no later than ten days before the Annual General Meeting, i.e. no later than Sunday 17 April, via e-mail [investor.relations@hemplybalance.com](mailto:investor.relations@hemplybalance.com). The information is provided by the Company by making it available on the Company's website [www.hemplybalance.com](http://www.hemplybalance.com) and at the Company's offices at the above address by Wednesday 20 April. The information will also be sent to shareholders who have requested it and provided their address.

The annual report, consolidated financial statements and auditor's report, as well as other documents relating to the resolutions proposed to the Annual General Meeting, will be available at the Company's offices and website [www.hemplybalance.com](http://www.hemplybalance.com) from Wednesday, 4 April onwards. All documents will also be sent to shareholders who request them and provide their postal address.

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March 2022



Hemply Balance Holding AB (publ)

*The Board of Directors*

## Attachments

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[Notice of Annual General Meeting in Hemply Balance Holding AB \(publ\)](#)

[Postal Voting Form Hemply Balance Holding AB \(publ\)](#)

[Proxy Form Hemply Balance Holding AB \(publ\)](#)

