



# Notice to attend the Annual General Meeting of IRRAS AB (publ)

The shareholders of IRRAS AB (publ), org.nr 556872-7134 ("the **Company**"), are hereby invited to the Annual General Meeting to be held on Wednesday 28 April 2021. Due to the spread of the COVID-19, the Board of Directors has resolved that the Annual General Meeting should be conducted without the physical presence of shareholders, representatives or third parties and that the shareholders before the General Meeting should be able to exercise their voting right only by absentee ballot.

## Notice of Attendance

A shareholder who would like to participate in the General Meeting shall:

- i. be entered in the register of shareholders maintained by Euroclear Sweden AB by the record date Tuesday 20 April 2021; and
- ii. announce their intention to attend the General Meeting, by having submitted an absentee ballot in accordance with the instructions under the heading "Absentee Ballot" below such that the Company has received the advance vote no later than Tuesday 27 April 2021.

In order to be entitled to participate in the General Meeting, a shareholder who has registered their shares in the name of a nominee, in addition to announcing their intention to participate by submit its absentee ballot, must temporarily request that their shares be registered in their own name so the shareholder is entered into the register of shareholders by 20 April 2021. This registration may be temporary (so-called voting right registration) and is requested with the nominee in accordance with the nominee's procedures and in advance as determined by the nominee. Voting right registrations completed no later than the 22 April 2021, will be considered when preparing the shareholder register.

## Absentee Ballot

Shareholders may exercise their voting right at the General Meeting only by voting in advance, a so-called absentee ballot pursuant to section 22 of the Temporary Exemptions to Facilitate the Execution of General Meeting in Companies and Associations Act (2020:198).

A special form must be used for the absentee ballot. This is available on the Company's website [www.irras.com](http://www.irras.com). Terms and conditions for the absentee ballot are included in the form. The completed and signed form for the absentee ballot must be sent by mail to IRRAS AB (publ), Attn: Sabina Berlin, P.O Box 160, 101 23 Stockholm or by e-mail to [AGM@irras.com](mailto:AGM@irras.com) no later than 27 April 2021. The Shareholder may not add special instructions or conditions to the absentee ballot. If this occurs the vote (i.e. the absentee ballot in its entirety) will be invalid. If the shareholder submits an absentee ballot via proxy, the power of attorney must be attached to the form. The proxy form is available on the Company's website, [www.irras.com](http://www.irras.com). If the shareholder is a legal person, the certificate of registration or other authorization document must be attached to the form.

## Matters to be dealt with at the Meeting and proposed agenda

1. Election of Chairman of the Meeting

2. Election of at least one person to certify the minutes
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Establishment of whether the Meeting has been duly convened
6. Presentation of the Annual Report and the Auditor's Report and the Consolidated Financial Statement and the Group Auditor's Report
7. Resolution regarding adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet
8. Resolution regarding appropriation of the Company's profit according to the adopted balance sheet
9. Resolution regarding discharge from liability for the members of the Board of Directors and the Managing Director
10. Determination of the number of board members and auditors
11. Determination of fees for the Board of Directors and the Auditors
12. Election of board members and chairman of the board
13. Election of Auditor
14. Approval of the remuneration report
15. Resolution to implement an incentive scheme 2021 (LTIP 2021)
16. Resolution in respect of authorisation for the board to issue shares, warrants and/or convertible bonds

## **Proposals**

### **Proposals by the Nomination Committee**

#### **Determination of number of board members and auditors (item 10)**

The Nomination Committee has consisted of Christer Hellström, Chairman of the Nomination Committee, appointed by Bacara Holdings Limited, Carl-Mikael Lindholm, appointed by Carl-Olof and Jenz Hamrins Foundation, Salameh Sweis, appointed by Lexington Holding Assets Limited (BVI) and Marios Fotiadis, Chairman of the Board of Directors of IRRAS AB.

The Nomination Committee proposes that the Board of Directors shall consist of five board members elected by the General Meeting. The Nomination Committee also proposes that the Company shall have one registered auditing company as auditor.

#### **Determination of fees for board members and auditors (item 11)**

The Nomination Committee proposes that the total remuneration for the Board of Directors shall amount to SEK 1,786,000 of which SEK 540,000 shall be paid to the Chairman of the Board of Directors and SEK 265,000 shall be paid to each of the other board members elected by the General Meeting and who are not employees of the group. Board members who are residents in the United States shall be paid an additional amount of SEK 106,000. For work in the Audit Committee, the Nomination Committee proposes that, the remuneration shall be paid by SEK 130,000 to the Chairman of the Committee and 65,000 to the other member of the Committee. For work in the Remuneration Committee, the Nomination Committee proposes that, the remuneration shall be paid by SEK 100,000 to the Chairman of the Committee and 50,000 to the other member of the Committee. No extra compensation will be paid for taking part in other committees. The total remuneration on a total of SEK 1,786,000 as stated above requires that the Audit Committee consists of two members and that the Remuneration Committee consists of two members.

The Nomination Committee proposes that the remuneration for the auditors shall be paid in accordance with approved invoices.

### **Election of board members and Chairman of the Board of Directors (item 12)**

As members of the Board of Directors until the end of the next Annual General Meeting, the Nomination Committee proposes re-election of Kleonthis G. Xanthopoulos, Marios Fotiadis, Anita Tollstadius, Eva Nilsagård and Catherine Gilmore-Lawless.

The Nomination Committee also proposes election of Marios Fotiadis as the Chairman of the Board of Director.

### **Election of auditor (item 13)**

The Nomination Committee proposes that the registered auditing company KPMG AB shall be re-elected as auditor for the period until the end of next Annual General Meeting. KPMG AB has informed that, if KPMG AB is re-elected as auditor, Duane Swanson will continue as the responsible auditor. The Nomination Committee's proposal is recommended by the Company's Audit Committee.

### **Approval of the remuneration report (item 14)**

At the General Meeting 2020 it was resolved to adopt Guidelines for remuneration of the Senior Executives of the Company. In accordance with Chapter 8, section 53 a of the Swedish Companies Act (2005:551) the Board of Directors shall prepare a report for each financial year detailing unpaid and outstanding compensation that is covered under the Guidelines. The remuneration report shall be presented at the General Meeting for approval. The Board of Directors proposes that the remuneration report for the financial year 2020 is approved by the General Meeting. The report is available on the Company's website [www.irras.com](http://www.irras.com).

### **Proposals by the Board of Directors**

#### **Dividend (item 8)**

The Board of Directors proposes that the Annual General Meeting shall resolve not to distribute any dividends for the financial year 2020.

#### **Resolution to implement an incentive scheme (LTIP 2021) (item 15)**

IRRAS's board proposes that the general meeting pass a resolution on the implementation of a Long Term Incentive Program 2021 (LTIP 2021) for a total of no more than 1,000,000 ordinary shares. This proposal is divided into four items:

- A Terms of LTIP 2021.
- B Hedging regarding LTIP 2021 shall be implemented through a direct issue of C-shares.
- C If item B is not approved, the board proposes that hedge of LTIP 2021 shall take place via an equity swap agreement with a third party.
- D Other matters related to LTIP 2021.

#### *A Terms of LTIP 2021*

##### *A.1 Introduction*

The board proposes that the general meeting approves LTIP 2021.

##### *A.2 Rationale*

The board wishes to introduce a long-term incentive program to employees in order to provide incentives for employees to exert maximum effort for the success of the Company and any affiliate and provide means by which the employees may benefit from the increase in value of the Company's share. In addition, the incentive program is introduced to make it easier for the Company to recruit new employees and to retain the Company's key employees.

### *A.3 Other share-related incentive programs*

Information about IRRAS's current incentive programs is available in the annual report for the financial year 2020, note 2 and 10, and on the Company's website, [www.irras.com](http://www.irras.com).

### *A.4 Basic features of LTIP 2021*

LTIP 2021 consists of employee stock options to be transferred to employees and consultants within the IRRAS group. The employee stock option entitles the holder to acquire shares in IRRAS in accordance with the following main conditions.

- The employee stock options are granted free of charge.
- The employee stock options can be transferred to participants, current or new employees and consultants, during the period until the end of the next Annual General Meeting.
- The number of employee stock options granted to participants, will be based on fixed performance requirements.
- Each employee stock option granted entitles the holder to acquire one ordinary share in the Company at a strike price corresponding to 110 percent of the average of the volume-weighted share price of the company's share measured over ten trading days prior to the grant date.
- The employee stock options will be subject to vesting during the term of the option. The options are not conditioned by measurable criteria since the Company is in an early commercialization phase.
- The employee stock options, after being vested in accordance with the above, can be exercised for acquisition of ordinary shares from the third anniversary of the grant date up until the eighth anniversary of the grant date.
- The employee stock options may not be transferred or pledged.
- The employee stock options shall only be exercised if the holder is still employed by, or active as a consultant in, the group or within a certain time after the last day of employment or the day on which the consulting assignment is terminated.
- The board shall design the structure and complete terms of the stock option program based on the guidelines resolved at the general meeting.

### *A.5 Participation in LTIP 2021*

LTIP 2021 is directed towards a maximum of 90 employees and consultants, divided into five categories of participants:

<b>Category</b>	<b>Maximum number of employee stock options per person</b>
A) CEO (maximum 1 person)	175,000
B) Executive management (maximum 4 persons)	150,000
C) Managers (maximum 14 persons)	75,000

D) Key contributor (maximum 56 persons)	35,000
E) Individual contributor (maximum 15 persons)	15,000

#### *A.6 Allocation*

The right to receive employee stock options shall apply to current and future employees and consultants.

#### *A.7 Implementation and administration etc.*

The intention is that the board shall launch LTIP 2021 as soon as practically possible after the general meeting. The board will administer LTIP 2021, but the board may delegate all or part of the administration of LTIP 2021 to one or more committees or external service providers.

#### *B. Hedge of LTIP 2021 via issuance of C-shares*

##### *B.1 Resolution to authorize the board to issue redeemable and convertible C-shares*

The board shall be authorized to resolve on the directed issue of Class C Shares on the following terms and conditions:

- a) The maximum number of Class C Shares to be issued is 4,332,000.
- b) With a deviation from the shareholders' preferential rights, the new shares may only be subscribed for by one external party after arrangement in advance.
- c) The amount to be paid for each new share (the subscription price) shall equal the share's quota value at the time of subscription.
- d) The authorization may be exercised on one or several occasions until the Annual General Meeting 2022.
- e) The new Class C Shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion restriction) and Chapter 20, Section 31 of the Swedish Companies Act (redemption restriction).

The purpose of the authorization is to hedge the undertakings of the company according to all of the Company's outstanding incentive programs, including LTIP 2021. The authorization pertains to a total of 4,332,000 shares, of which a maximum of 1,000,000 C-shares can be issued to secure the Company's commitments pursuant to LTIP 2021.

##### *B.2 Resolution to authorize the board to decide on repurchase of C-shares*

The board shall be authorized to decide on the repurchase of C-shares in the Company on the following terms:

- a) Repurchase may be made through an acquisition offer addressed to all owners of C-shares in the Company.
- b) The number of C-shares that may be repurchased may not exceed 4,332,000 shares.
- c) Repurchases shall be made at a cash price per share corresponding to the quota value applicable at the time of repurchase.
- d) The board shall have the right to determine remaining conditions for the repurchase.
- e) It shall be possible to repurchase so-called interim shares regarding C-shares, from Euroclear Sweden AB designated Paid Subscribed Share (PSS).

f) The authorization may be exercised on one or more occasions until the Annual General Meeting 2022.

The purpose of the authorization is to secure the Company's commitments in accordance with all of the Company's outstanding incentive programs, including LTIP 2021.

### *B.3 Resolution on transfer of ordinary shares*

The general meeting is proposed to decide on the transfer of ordinary shares to participants in all of the Company's at each time outstanding incentive programs, including LTIP 2021, on the following terms and conditions.

a) A maximum number of 4,332,000 ordinary shares may be transferred free of charge to the participants.

b) The terms for these transfers, the number of shares in each transaction and the time of the transactions shall follow the terms of each outstanding incentive program at each time, including LTIP 2021.

c) The number of ordinary shares that may be transferred within each incentive program may be subject to customary recalculations as a result of cash dividends, bonus issue, split, rights issue and/or similar events.

### *C. Hedge of LTIP 2021 via an equity swap agreement with a third party*

Should the majority required under item B above not be reached, the board proposes that the Annual General Meeting resolves that the expected financial exposure of LTIP 2021 shall be hedged by the Company being able to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own right shall be entitled to acquire and transfer ordinary shares covered by the LTIP 2021.

### *D. Other matters in relation to LTIP 2021*

#### *D.1 Costs*

Costs related to employee stock options will be accounted for in accordance with IFRS 2 which stipulates that the employee stock options should be recorded as personnel expense in the income statement during the vesting period. A preliminary calculation, using a volatility of 37 percent, indicates an option value of approximately SEK 1.12 per employee stock option. Under the assumption of a share price of SEK 6.09 at the start of the program, a share price at the end of the three year period of SEK 12.18 (corresponding to a total share price increase of 100 percent during the vesting period), the total cost for the employee stock options amount to MSEK 1.7 before tax, which corresponds to an annual cost of about MSEK 0.6 before tax, provided that earnings take place over a 3-year period.

#### *D.2 Effect on important key ratios*

The annual costs for LTIP 2021 are calculated to amount to approximately 8.1 percent of IRRAS's revenues for the financial year 2020 and approximately 0.8 percent of IRRAS's salary costs for the financial year 2020.

#### *D.3 Dilution of existing shares and votes*

The number of ordinary shares outstanding in the company is 66,281,340. LTIP 2021 implies, upon exercise of all 1,000,000 of employee stock options, a full dilution corresponding to approximately 1.6 percent of the total number of shares and votes outstanding in the Company. If all outstanding incentive programs in the Company are included in the calculation, the corresponding maximum level of dilution at the time of the general meeting amounts to approximately 6.1 percent.

#### *D.4 Adjustment authorization*

The board, or a person appointed by the board, shall be authorized to make any minor adjustments to the above resolutions that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB respectively.

#### *D.5 Preparation of the proposal*

The basis for LTIP 2021 has been prepared by the board of the Company. The work has been supported by external advisors and has been made in consultation with shareholders. The board has thereafter decided to present this proposal for the general meeting. Except for the staff that have prepared the matter upon instruction from the board, no employee that may be a participant of LTIP 2021 has participated in the preparations of the program's terms.

#### *D.6 Majority requirements*

The resolution by the general meeting regarding the implementation of LTIP 2021 according to item A above shall be conditional on the general meeting resolving either in accordance with the board's proposal under item B above or in accordance with the Board's proposal under item C above.

The resolution according to item A above shall require a majority of more than half of the votes cast at the general meeting. A valid resolution under item B above requires that shareholders representing not less than nine-tenths of the votes cast as well as the shares represented at the general meeting approve the resolution. A valid resolution under item C above shall require a majority of more than half of the votes cast at the general meeting.

#### **Resolution in respect of authorization for the board to resolve to issue of shares, warrants and/or convertible bonds (item 16)**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to, on one or several occasions during the period until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, resolve on share issues, issues of warrants and/or issues of convertible bonds that involve the issue of or conversion to a maximum of shares, corresponding to 20 percent of the share capital and the voting rights, based on the current number of shares in the Company.

The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights, if any, is to enable the Company to carry out issues in a time-efficient way to finance acquisitions or investments in new or existing businesses. The issuance of shares, warrants and/or convertible bonds under the authorisation shall, in case of deviation from the shareholders' preferential rights, be made at a subscription price according to the prevailing market conditions at the time of the issuance of the shares, warrants and/or convertible bonds. Payment for subscribed shares, warrants and/or convertible bonds shall be made in cash, in kind or by way of set-off.

A valid resolution by the General Meeting pursuant to the proposal above requires that the resolution be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the General Meeting.

#### **The shareholders' right to submit questions**

The Board of Directors and the CEO shall, if any shareholder so requests and the board believes that it may be done without significantly harming the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda. A request for such information shall be made in writing to the Company via mail to IRRAS AB (publ), Attn: Sabina Berlin, Box 160, 101 23 Stockholm or by e-mail to [AGM@irras.com](mailto:AGM@irras.com), no later than 18 April 2021. The information shall be available on the Company's website [www.irras.com](http://www.irras.com) and on the Company's head office as stated above no later than 23 April 2021.

## **Other information**

As per 30 March 2021 the total number of shares and votes in the Company amounts to 66, 281,340. The Company holds no shares in the Company. For information about how your personal data will be processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

## **Documents**

The proxy form and other documents in accordance with the Swedish Companies Act will be available at the Company's office at the address set out above and will be sent free of charge to shareholders who so request and provide their postal address or e-mail address. The documents will also be available at the Company's website, [www.irras.com](http://www.irras.com).

## **For more information, please contact:**

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*The information was released for public disclosure, through the agency of the contact person above, on March 30, 2021 at 08:30 (CET).*