



## Notice of the Annual General Meeting in Bilia AB

The shareholders of Bilia AB, org.no. 556112-5690, are hereby given notice of the Annual General Meeting (“AGM”) to be held on Wednesday 24 April 2024 at 14:00 at Haga Norra, Torfredsplatsen 1, Solna. Registration for the AGM will commence at 13:00.

The Board of Directors has decided that the shareholders shall be able to exercise their voting rights by postal voting in accordance with the company’s articles of association.

### Preconditions for participation

A. Shareholders who wish to participate at the AGM by postal voting must:

- be recorded in the shareholders’ register kept by Euroclear Sweden AB as per Tuesday 16 April 2024, and
- must notify its intention to participate by casting its postal vote in accordance with the instructions under the heading “Postal voting” below so that the postal vote is received by the company through Computershare AB no later than Thursday 18 April 2024.

B. Shareholders who wish to participate at the AGM in person or by proxy in the meeting room must:

- be recorded in the shareholders’ register kept by Euroclear Sweden AB as per Tuesday 16 April 2024, and
- must notify its intention to participate to the company at the latest on Thursday 18 April 2024 by letter to Computershare AB, “Bilia AB AGM 2024”, Box 5267, SE-102 46 Stockholm, Sweden, via e-mail to [proxy@computershare.se](mailto:proxy@computershare.se), via the company’s website [www.bilia.com](http://www.bilia.com) or by phone + 46 771 24 64 00 (weekdays between 09:00 and 16:00). When notifying the company, preferably in writing, include details of name, address, telephone number, registered shareholding and number of advisors, if any.

To be entitled to participate in the AGM, a shareholder whose shares are held in the name of a nominee must, in addition to providing notification of participation, register its shares in its own name so that the shareholder is registered in the share register relating to the circumstances on Tuesday 16 April 2024. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee’s procedures and in such time in advance as the as the nominee determines.

Voting right registrations completed by the nominee no later than Thursday 18 April 2024 are taken into account when preparing the shareholders' register.

### **Participation in person or by proxy**

Shareholders who wish to attend in person in the meeting room, in person or by proxy, must notify its intention in accordance with B) above. This means that notice by postal voting only is not enough for anyone who wishes to attend in the meeting room.

Where representation is being made by proxy, the proxy form shall be sent to the company to the above address before the AGM. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed.

### **Postal voting**

A special form shall be used for postal voting. The form is available on [www.bilia.com](http://www.bilia.com).

The completed and signed voting form must be received by Bilia through Computershare AB no later than Thursday 18 April 2024. The form may be submitted by post to Computershare AB, "Bilia AB AGM 2024", Box 5267, SE-102 46 Stockholm or via e-mail [proxy@computershare.se](mailto:proxy@computershare.se). Shareholders may also cast their postal votes electronically through Swedish BankID verification via Bilia's website [www.bilia.com](http://www.bilia.com). Shareholders who are represented by a proxy holder shall submit a proxy form enclosed to the voting form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form.

Shareholders are not permitted to add special instructions or conditions to their postal votes. If this is done, the vote (i.e. the postal vote in its entirety) will be invalid. Further instructions and conditions can be found on the postal voting form.

For questions about the meeting or to have the postal voting form sent by post, please contact Computershare AB on telephone +46 771 24 64 00.

### **Proposed agenda**

1. Opening of the meeting
2. Election of chairman for the meeting
3. Election of one or two persons to verify the minutes
4. Preparation and approval of the voting list
5. Approval of the agenda for the meeting
6. Determination of whether the meeting has been duly convened
7. Information from Managing Director
8. Presentation of Bilia AB's annual report, the auditor's report, the consolidated accounts and the auditor's report on the consolidated accounts for the financial year 2023
9. Resolution on the adoption of the profit and loss statement and the balance sheet, the consolidated profit and loss statement and the consolidated balance sheet for the Group, all per 31 December 2023
10. Resolution on the appropriation of the profit in accordance with the approved balance sheet
11. Resolution on the discharge of liability for the members of the Board of Directors and the Managing Director

12. Determination of the number of Board members
13. Determination of fees for the Board of Directors
14. Election of the members of the Board of Directors and the Chairman of the Board
15. Determination of fees payable to the auditor and election of auditor
16. Guidelines for remuneration to the Group Management
17. Presentation and approval of the Board of Directors' remuneration report
18. Authorisation for the Board of Directors to decide on acquisition and transfer of own shares
19. Determination on long-term incentive program
  - a. Determination on long-term incentive program
  - b. Determination on the transfer of own shares to participants in the share savings program
  - c. Determination on equity swap agreements with third parties due to the share savings program
  - d. Decision on authorization for the board to decide on the transfer of own shares due to the share savings program
20. Other business
21. Conclusion of the meeting

#### **The Nomination Committee's Proposal for Resolutions (items 2 and 12–15)**

The Nomination Committee consists of Anders Wennberg (Investment AB Öresund, chairman), Sofia Steinwall (Anna Engebretsen with family), Mats Qviberg (chairman of the Board in Bilia AB) and Emilie Westholm (Folksam). The Nomination Committee proposes the following.

- (2) Election of Mats Qviberg as chairman of the AGM.
- (12) 8 ordinary Board members without deputy members.
- (13) It is proposed that a fee of SEK 475,000 to be paid to the Chairman of the Board and SEK 475,000 to the Deputy Chairman. It is proposed that the other Board members receive SEK 295,000 each. Further, it is proposed that the chairman of the Audit Committee receives SEK 170,000 and that the members of the Audit Committee receive SEK 85,000 each. It is proposed that the chairman of the Compensation Committee receives SEK 52,500 and that the members of the Compensation Committee receive SEK 26,250 each.

The above proposal for Board fees entails an increase compared to last year of SEK 15,000 each for the Chairman of the Board and Deputy Chairman and of SEK 10,000 each for the other board members. The proposal further entails an increase in the fee for the chairman of the audit committee by SEK 10,000 and by SEK 5,000 for other members of the audit committee, as well as an increase in the fee to the chairman of the Compensation Committee by SEK 2,500 and by SEK 1,250 for other members of the Compensation Committee.

Fees for the employee representatives on the board are proposed to be SEK 38,000 and for the employee deputies on the board SEK 23,000. The fee is

unchanged compared to the previous year.

- (14) The Nomination Committee proposes re-election of the entire Board including: Gunnar Blomkvist, Anna Engebretsen, Ingrid Jonasson Blank, Nicklas Paulson, Jan Pettersson, Mats Qviberg, Jon Risfelt och Caroline af Ugglas. More information regarding the proposed Board members is available at [www.bilia.com](http://www.bilia.com).

Re-election of Mats Qviberg as Chairman of the Board with Jan Pettersson as Deputy Chairman.

- (15) Fees to auditors shall be paid as billed, upon approval.

Re-election of the auditing company Öhrlings PricewaterhouseCoopers AB (ÖPwC AB) as auditor in the company for the period until the end of the AGM 2025.

## The Board of Directors' proposals for resolutions

### Item 3 - Election of one or two persons to verify the minutes

The Board of Directors proposes that one adjuster is appointed and that Alexandra Bartholdsson Frenander (Folksam) is appointed to approve the minutes of the meeting, or, in case of impediment, other person suggested by the Board. The adjuster's tasks also include checking the voting list and that received postal votes are correctly reflected in the minutes of the meeting.

### Item 4 - Preparation and approval of the voting list

The voting list proposed to be approved is the voting list established by Computershare AB on behalf of the company, based on the AGM share register and received postal votes, and registered shareholders who are present in the meeting room.

### Item 10 - Resolution on the appropriation of the profit in accordance with the approved balance sheet

The Board of Directors proposes a dividend to the shareholders of SEK 6.60 (8.80) per share, divided into four payments of each SEK 1.65 per share. Friday 26 April 2024, Monday 8 July 2024, Monday 7 October 2024 and Tuesday 7 January 2025 are proposed as record dates. If the AGM resolves in accordance with the proposal, payments from Euroclear Sweden AB are expected to be made on Thursday 2 May 2024, Thursday 11 July 2024, Thursday 10 October 2024 and Friday 10 January 2025.

### Item 16 - Guidelines for remuneration to the Group Management

The Board of Directors proposes that the AGM adopts the following guidelines for remuneration to the Managing Director and other members of the Group Management, to be valid for the period until the AGM 2028 at the latest.

The guidelines are to be applied to remuneration agreed, and changes in previously agreed remuneration, after the guidelines have been adopted by the AGM 2024. The guidelines do not cover remuneration decided by the General Meeting of Shareholders. As regards employment conditions subject to rules other than Swedish ones, appropriate adaptations may be made to comply with such mandatory rules or fixed local practice, whereby the general object of these guidelines should be accommodated as far as possible.

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

Successful implementation of the Company's business strategy and safeguarding the Company's long-term interests and sustainability presuppose that the Company can recruit and retain qualified employees. To achieve this, the Company must be able to offer competitive remuneration. These guidelines make it possible for the Company to offer senior officers a competitive level of overall remuneration. The aim of variable salary components covered by these guidelines is to promote the Company's business strategy, long-term interests and sustainability. For information about the Company's business strategy, please go to Bilia's website at [www.bilia.com](http://www.bilia.com).

The Company has set up long-term incentive programs in the form of share savings programs. The programs were resolved by the General Meeting of Shareholders and are therefore not covered by these guidelines. The programs encompass senior officers and other key persons in the Group. The performance requirements used to assess the outcome of the programs have a clear link to the business strategy, and thus to the Company's long-term sustainable value creation. These performance requirements include total shareholder return and earnings per share and sustainability targets. The programs also stipulates requirements on personal investment and several-year share retention. For further information about the programs, including the criteria upon which the outcome is dependent, go to [www.bilia.com](http://www.bilia.com) (under The Company, menu header Corporate Governance, Incentive Program).

### **Forms of remuneration**

Remuneration shall be at market terms and may be comprised of the following components: basic salary, variable salary, pension benefits and other benefits. The General Meeting of Shareholders may, in addition – and independent of these guidelines – decide on e.g. share and share-price related remuneration.

#### ***Basic salary***

Basic salary shall be set considering level of expertise, area of responsibility, experience and performance.

#### ***Variable salary***

In addition to basic salary, senior officers may receive variable salary. Variable salary shall be linked to pre-determined, measurable criteria which may be financial – such as profit before tax, turnover rate on capital employed and/or working capital, and the rate of used-car turnover – or non-financial, such as customer satisfaction or goals and targets related to the Company's sustainability strategy. The criteria shall be established on an annual basis by the Board of Directors. Because the goals link variable salary to the Company's results and sustainability, they promote the Company's business strategy,

long-term interests and sustainability. Variable salary shall primarily be based on accomplishment of the Group's, and where applicable subsidiaries', results-based targets, and to a limited extent on individual financial goals. The measurement period is one year, and variable salary may amount to a maximum of 60 per cent of basic salary for the MD and a maximum of 50 per cent for other senior officers.

After the measurement period for achieving variable-salary criteria has ended, an assessment shall be made of the extent to which the criteria have been met. The Compensation Committee shall monitor and assess variable salary for the MD and other senior officers in the Group Management. Financial targets for variable salary shall be assessed based on the Company's most recently published financial information.

The Company is not able contractually to reclaim variable salary.

#### *Pension and other benefits*

The retirement age for members of the Group Management shall be 65 years. Variable salary shall be pensionable. For the MD and Deputy MD pension benefits shall be defined-contribution benefits and shall amount to a maximum of 35 and 32 per cent respectively of the pensionable salary. For other senior officers pension benefits shall be defined-contribution benefits unless otherwise stipulated in mandatory collective agreements. In addition, these senior officers shall be entitled to a supplementary retirement pension. Other benefits shall be limited in scope and may, for instance, include medical insurance and car benefit.

#### **Cessation of employment**

In the case of the Company terminating an employment contract, the period of notice shall be a maximum of 12 months. Basic salary and severance pay during the period of notice may not jointly exceed an amount equivalent to the basic salary for two years, minus any income from other employment during the last 12 months. In the case of a senior officer terminating an employment contract, the period of notice shall be a maximum of 12 months for the MD and a maximum of 6 months for other senior officers, with no entitlement to severance pay.

#### **Salary and employment terms for employees**

In drafting the Board of Directors' proposal for these remuneration guidelines, the Company employees' salary and employment terms have been taken into account in that employees' overall remuneration, remuneration components and increase/rate of increase in remuneration over time have been considered by the Compensation Committee and the Board when assessing the reasonableness of the guidelines and the limitations that follow from them.

#### **The decision process for establishing, reviewing and implementing the guidelines**

The Board of Directors has a Compensation Committee, whose tasks include drafting the Board's decisions on proposed guidelines on remuneration for senior officers. The Board of Directors shall prepare a proposal of new guidelines at least every four years, and submit it to the AGM. The guidelines shall apply until new guidelines have been adopted by the General Meeting of Shareholders. In addition, the Compensation Committee shall monitor and evaluate programs regarding variable remuneration for the executive management, the application of guidelines on remuneration for senior officers and prevailing



remuneration structures and remuneration levels in the Company. The Compensation Committee's members are independent in relation to the Company and the executive management. The MD and other executive management members do not attend Board discussions and decisions on remuneration-related matters, to the extent that they are affected by them.

#### **Deviation from the guidelines**

The Board of Directors may resolve to temporarily deviate from the guidelines, in whole or in part, if there are special reasons for this in an individual case, and if such a deviation is necessary to safeguard the Company's long-term interests and sustainability, or to assure the Company's economic viability. As stated above, the Compensation Committee's tasks include preparing the Board's resolutions on remuneration-related matters, which includes decisions on deviation from the guidelines.

#### **Description of significant changes to the guidelines and how the shareholders' views have been taken into account**

The Board has not received any views from the shareholders on existing guidelines for remuneration to senior executives. The Board's proposal for guidelines for remuneration to senior executives corresponds to the existing guidelines in all material respects.

#### **Item 17 - Presentation and approval of the Board's remuneration report**

The Board proposes that the AGM approves the report submitted by the board on paid and outstanding compensation to senior executives. The remuneration report is available on Bilia's website, [www.bilia.com](http://www.bilia.com).

#### **Item 18 - Authorisation for the Board of Directors to decide on acquisition and transfer of own shares**

The Board of Directors proposes that the AGM authorise the Board to make decisions regarding the acquisition and transfer of own shares. The purpose of the authorisation is to give the Board greater freedom in its work with the company's capital structure and to make it possible, if deemed appropriate, to acquire enterprises using the company's shares as payment or to increase liquidity in the company's share. The Board of Directors considers that company shares can, from the viewpoint of the shareholders, be an appropriate means of payment (full or partial) in conjunction with business combinations, whereby the preferential rights of the shareholders must for obvious reasons be waived. The Board's proposal entails the following:

**Acquisition:** The Board of Directors may, on one or more occasions up till the AGM 2025, decide to acquire a number of Bilia shares such that the company's own holding does not exceed 1/10th of the number of shares in the company at any given time. The consideration paid for the shares shall be on market terms and buy-back shall be possible by cash purchase on Nasdaq Stockholm at a price within the range noted at that particular time and otherwise subject to existing regulations.

**Transfer:** On one or more occasions prior to the AGM 2025, the Board shall be able to decide on the transfer of all or part of the own shares that the Company holds at any given time. Transfer shall be possible by deviation from the shareholders' preferential right at a price equal to the current share price, or equal to an average of the current share price for a maximum of 10 trading days in connection with the transfer, and with a

deviation of no more than 10 per cent. The shares may be transferred on Nasdaq Stockholm, or the shares may be used as a means of payment in connection with a company acquisition.

A valid decision requires that the proposal be approved by shareholders holding more than two-thirds (2/3) of both the votes cast and the shares represented at the meeting.

#### **Item 19 - Determination on long-term incentive program**

At the 2023 AGM, a long-term share savings program for senior executives and key personnel (Bilia's share savings program 2023–2026) was adopted. Bilia's share savings program 2024–2027 corresponds in all material respects in terms of principles and scope, but with certain additions and changes compared to Bilia's share savings program 2023–2026. As an addition this year, the Board has added annual measurements within the three-year period.

#### **Item 19a - Determination on long-term incentive program**

The board proposes that the AGM decides to adopt a long-term incentive program in the form of a share savings program for senior executives and other key personnel within the Bilia Group as set out below (the "**Program**"). The decision according to this item 19 (a) shall be conditional on the AGM deciding on hedging measures due to the Program, either in accordance with the proposal under item 19 (b) below or in accordance with the proposal under item 19 (c) below.

The purpose of the Program is to create the conditions to motivate and retain competent key personnel in the Bilia Group, to attract new employees and to increase motivation to reach and exceed Bilia's financial goals and sustainability goals. The Program has been designed based on the fact that it is desirable for senior executives and other key persons within the Bilia Group to be shareholders in Bilia. Participation in the Program requires that the participant has contributed with private investment. The Program also rewards employees' continued loyalty and thereby the long-term value growth in Bilia. Against this background, the Board believes that adoption of the Program will have a positive effect on the Bilia Group's future development and will consequently be beneficial for both Bilia and its shareholders.

The program is proposed to include a total of approximately sixty (60) key people in the Bilia Group ("**Participants**") roughly distributed as follows:

- 45 Participants in Sweden,
- 14 Participants in Norway, and
- 3 Participants in total in Luxembourg and Belgium.

The Participants in the Program must have invested by acquiring shares in Bilia AB (publ) ("**Savings Shares**"). Subsequently, the Participants will be given an opportunity to acquire, free of cost, shares within the framework of the Program, so-called "**Performance Shares**", under the terms stipulated below (the "**Rights**").

The participants in the Program are divided into two categories. The first category includes Bilia's group management (9 people) including the MD, the second category includes other key people (53 people) who in turn are divided into three subgroups A, B and C.



### *Private investment*

In order to be able to participate in the Program, the Participant must have contributed with a private investment through the acquisition of Savings Shares. The Savings Shares will be acquired by Aktieinvest at market price on behalf of the participants, during part or all of the acquisition period that runs between 2 May 2024 and on 16 May 2024, for the purpose of being allocated to the Program.

In the event that participants in the Program are prevented from acquiring shares in Bilia during the acquisition period, the Voard has the right to postpone the acquisition period, however no later than 29 November, 2024. The same restriction applies to any additional group management member or key personnel.

A Participant may invest in Bilia shares up to the maximum number of shares in each category plus any over-allotment. Participants can apply for a maximum of 50% over-allocation if the Program does not receive full participation, in which case allocation takes place pro rata. The maximum number of Savings Shares that can be allocated to the Program for the two participant categories, excluding any over-allotment, is shown below.

<b>Category 1</b> Group Management (9 people)	<b>Maximum Savings Shares</b> 1,975 Savings Shares
<b>Category 2</b> subgroup A (circa 13 people) subgroup B (circa 20 people) subgroup C (circa 20 people)	1,125 Savings Shares 825 Savings Shares 575 Savings Shares

The minimum number of Savings Shares that a Participant must acquire in order to participate in the Program must correspond to a market value of at least twenty-five thousand (SEK 25,000) SEK. For each Savings Share held within the framework of the Program, Bilia will award the Participant a total of 4.5 Rights, which means that the Participant, provided that the performance targets are fully met, will be awarded 4.5 Performance Shares.

### *General terms*

Awarding of Performance Shares takes place on the condition that the Participant from the start of the Program up to and including the date of publication of the interim report for January-March 2027 ("**Vesting Period**") has retained his original Savings Shares and that the Participant, with certain exceptions, is still employed within the Bilia Group. The Program must start as soon as practically possible after the AGM has adopted the Board's proposal in this regard.

Free allocation of Performance Shares is, apart from what is stated in the point above, conditional on the achievement of the performance targets established by the Board. The allocation per Participant is the same for all Participants. The maximum number of Performance Shares allocated within the framework of the Program amounts to 271,800. For the maximum allocation of Performance Shares, it is required that targets established

by the Board regarding total return on Bilia's shares and increased profit per share be met, and that the targets for customer satisfaction and gender equality be met.

Goal achievement is measured partly through annual measurement and partly through measurement for the entire three-year period, which means that goal achievement for one or more individual financial years entitles allocation of performance shares for the financial years in question, even if the goals are not achieved for the entire three-year period. If the measurement for the entire three-year period results in a higher award of performance shares than the annual measurement, performance shares must be awarded based on the measurement for the entire three-year period. The final allocation in all targets will thus be based on the highest of the sum of (i) the annual measurements and (ii) the measurements for the entire three-year period.

Allocation of Performance Shares per Savings Share can take place as follows, whereby allocation for the three-year period and allocation annually are alternative:

#### Target 1: Total return

##### *Allocation for the three-year period*

One (1) performance share is awarded to the Participant if the total return on Bilia's shares has been positive during the duration of the Program. The calculation of the total return shall be based on the Bilia share's average closing price during the trading days in March 2024, which shall be compared with the Bilia share's average closing price during the trading days in March 2027, adjusted for dividends paid during the Program's term.

##### *Allocation annually*

One-third (1/3) Performance share is awarded to the Participant per year if the total return on Bilia's shares has been positive, whereby the change must be measured annually by comparing Bilia's average volume-weighted share price during the trading days in March of the previous year and the volume-weighted share price in March of the current year, adjusted for dividends during the duration of the Program up to this point in time.

#### Target 2: Earnings per share – 10% increase

##### *Allocation for the three-year period*

One (1) Performance Share is awarded to the Participant if the earnings per share in 2026 has increased by 10 per cent compared to the earnings per share in 2023. The earnings per share reported in the Annual Report must be adjusted for non-recurring items.

##### *Allocation annually*

One-third (1/3) Performance share is awarded to the Participant per year if the earnings per share for each financial year increased by 3.33% compared to the immediately preceding financial year. The earnings per share reported in the Annual Report must be adjusted for non-recurring items.

### Target 3: Earnings per share – 20% increase

#### *Allocation for the three-year period*

One (1) Performance Share is awarded to the Participant if the earnings per share in 2026 has increased by 20 per cent compared to the earnings per share in 2023. The earnings per share reported in the Annual Report must be adjusted for non-recurring items.

#### *Allocation annually*

One-third (1/3) Performance share is awarded to the Participant per year if the earnings per share for each financial year increased by 6.66% compared to the immediately preceding financial year. The earnings per share reported in the Annual Report must be adjusted for non-recurring items.

### Target 4: Customer satisfaction

#### *Allocation for the three-year period*

One (1) Performance Share is awarded to the Participant if Bilia's average customer satisfaction during the period exceeds the benchmark (competitors' customer satisfaction per car brand) by 2 percentage points. Customer satisfaction is calculated on the businesses that existed as of 31 December 2023.

#### *Allocation annually*

One-third (1/3) Performance share is awarded to the Participant per year if Bilia's average customer satisfaction during the period exceeds the benchmark (competitors' customer satisfaction per car brand) by 2 percentage points.

### Target 5: The proportion of women in the sales operations

#### *Allocation for the three year period*

One-half (0.5) Performance Share is awarded to the Participant if the proportion of women in the sales operations is 22% or higher in 2026 (adjusted for acquisitions). The proportion of women in sales operations 2023 was 17%.

#### *Allocation annually*

One-third (1/3) of one-half (0,5) Performance share is awarded to the Participant per year if the proportion of women in the sales operations for the respective financial year amounts to the following.

Year	Proportion of women in the sales operations
2024	18.7%
2025	20.37%
2026	22%

### *Terms for the Rights*

The following terms shall apply for the Rights under the Program, in addition to what is stated above:

- The Participant must make a cash deposit to Aktieinvest that covers the amount of Savings Shares that are desired to be acquired in the program, no later than 2 May, 2024, or a later date if the Board postpones the acquisition period.
- The rights must be earned during the Vesting Period.
- Rights cannot be transferred or pledged.
- 4.5 Rights entitles the Participant the right to receive 4.5 Performance Shares free of charge, after the end of the Vesting Period, provided that the Participant has, with certain exceptions, been employed by Bilia during the Vesting Period and has retained his Savings Shares.
- If the Board of Directors determines that the terms for allotment of Performance Shares are no longer reasonable in the light of, for example, major changes in Bilia, Bilia Group or the market, the Board is entitled to make adjustments of the Program.
- The Board is entitled to adopt more detailed terms for the Program.
- The Program shall consist of no more than 271,800 shares (excluding 76,100 shares required to guarantee social security contributions for the Program as explained below) based on the assumption of full investment. It is assumed that 76,100 shares will be sold on the market to cover the costs of social security contributions.
- The number of Performance Shares shall be recalculated in the event that a bonus issue (with the issue of new shares), a stock split or reverse stock split, a rights issue or other similar events occur in Bilia during the Vesting Period.

### *Allotment of Performance Shares under the Program*

In order to implement the Program in a cost-effective and flexible manner, the Board of Directors has considered different methods for securing delivery of Performance Shares under the Program. The Board has thereby found that the most cost-effective alternative is to guarantee delivery by transfer of own shares held by Bilia. The Board of Directors therefore proposes that the AGM resolve as the main alternative, in accordance with item 19 (b) below, to transfer own shares.

In the event a majority cannot be achieved for item 19 (b) below, the Board of Directors proposes that it be resolved that Bilia may enter into an equity swap agreement with a third party in accordance with item 19 (c) below.

### *Costs for the Program*

Costs for the Program are calculated in accordance with IFRS 2 and recognised in the income statement. The cost is recognised on a straight-line basis over the Vesting Period.

Based on the assumptions that the Program is fully subscribed, that all Participants invest the maximum number of Savings Shares, that the share price amounts to SEK 131.00 at the time of investment, assuming an annual staff turnover of 10% in the participant group and that the remaining Participants still own all Savings Shares at the end of the Vesting Period, that the profit per share in 2026 has increased by 10% (but not 20%) compared to the profit per share in 2023, and that the performance targets are otherwise fully

achieved, implies an IFRS 2 cost for the Program of approximately SEK 15.4 million. If all performance targets are achieved, the IFRS 2 cost for the Program will equal approximately SEK 20.1 million.

Social security contributions must also be paid and can be estimated to amount to a weighted nominal percentage of 28 per cent based on that the Participants reside in, and are tax residents of, Sweden, Norway, Luxembourg and Belgium. Social fees are calculated and paid based on the market value of the shares at the time of allocation at the end of the Program. With an assumed increase yearly increase in the share price of 10 % during the Vesting Period, and with other conditions as stipulated above, the annual social security contributions are estimated to amount to SEK 7.5 million and SEK 9.7 million if all performance targets are achieved.

#### *Effect of Program on important key ratios and share dilution*

The Program is estimated to comprise a total of no more than 271,800 shares, excluding measures to guarantee social security contributions, which is equivalent to about 0.29 per cent of Bilia's total number of shares outstanding.

Outstanding rights to shares under previous long-term incentive program amount to about 0.1 per cent of Bilia's total number of shares outstanding. The effect of existing incentive program, including the Program, on important key ratios is only marginal. For a description of Bilia's other long-term incentive programs, see the company's Annual Report for 2023 and the company's website, [www.bilia.com](http://www.bilia.com).

#### *Drafting process*

The Board's decision to propose that the AGM resolve to approve the Program as described above was made at a Board meeting per capsulam on 18 March 2024. The proposal was drafted by the Board's Compensation Committee in consultation with the Board and with the support of external advisers.

#### **Item 19b - Determination on the transfer of own shares to participants in the share savings program**

The Board of Directors proposes that, in order to guarantee delivery of Performance Shares, the AGM resolve that a maximum of 271,800 shares previously acquired and now held by Bilia can be transferred to Participants within the framework of the Program.

The number of shares that can be transferred is subject to recalculation due to a intervening bonus issue, stock split, rights issue and/or similar events.

#### **Item 19c - Determination on equity swap agreements with third parties due to the share savings program**

In the event the necessary majority cannot be achieved for item 19 (b) above, the Board of Directors proposes that the AGM resolve to guarantee the expected financial exposure due to the Program by allowing Bilia to enter into an equity swap agreement on market terms with a third party, whereby the third party can, in its own name, acquire and transfer Bilia shares to the Participants.

#### **Item 19d - Decision on authorization for the board to decide on the transfer of own shares due to the share savings program**

In order to cover social security contributions that arise in conjunction with transfers of shares to the Participants under the Program, the Board of Directors proposes that the AGM authorise the Board to approve transfers of own shares under the following terms:

- Transfer shall be made on Nasdaq Stockholm (the "Stock Exchange").
- Transfer can be made, on one or more occasions prior to the AGM 2025, of no more than 76,100, shares held by Bilia.
- Transfer of shares on the Stock Exchange can only be made at a price per share that lies within the noted price range at any given time.
- Transfer can only be made in exchange for cash payment.

The maximum number of shares that can be transferred/acquired on the Stock Exchange may be recalculated in the event a bonus issue (with the issue of new shares), stock split or reverse stock split occurs in Bilia, or if another event occurs that has occasioned recalculation of the number of shares to be transferred to the Participants under the Program.

The Board of Directors intends to propose at future Annual General Meetings as well that the AGM authorise the Board to approve transfer of own shares on the Stock Exchange to cover social security contributions that arise under the Program.

#### *Terms*

The Board's proposal that the AGM resolve to implement the Program is conditional on the AGM's also deciding to adopt measures to guarantee the Program as stipulated above. The Board's proposal that the AGM resolve to approve transfer of own shares is similarly conditional on the AGM's decision to approve the Program and authorisation of transfer of own shares to cover social security contributions.

#### *Majority required for decision*

A valid decision for item 19 (a) above requires that the proposal be approved by shareholders holding more than one-half (1/2) of both the votes cast and the shares represented at the meeting. A valid decision for item 19 (b) above requires that the proposal be approved by shareholders holding at least nine-tenths (9/10) of both the votes cast and the shares represented at the meeting. A valid decision for item 19 (c) above requires that the proposal be approved by shareholders holding more than one-half (1/2) of both the votes cast and the shares represented at the meeting. A valid decision for item 19 (d) above requires that the proposal be approved by shareholders holding more than two-thirds (2/3) of both the votes cast and the shares represented at the meeting.

#### **Processing of personal data**

For information on how your personal data is processed, please see:

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>



### Further information

The Annual report, auditor's report, auditor's statement on application of guidelines for remuneration to the Group Management, the Board's proposal for the long term incentive program and other documents to be provided prior to the AGM under the Swedish Companies Act and the Swedish Corporate Governance Code will be available at Bilia AB at Norra Långebergsgatan 3 in Gothenburg and at [www.bilia.com](http://www.bilia.com) (menu header About us – Corporate Governance – General Meeting) not later than on 3 April 2024, and will be sent to shareholders who so request and provide their postal address. The documents will also be available at the AGM.

The total number of shares and votes in the company at the time of issue of this notice is 96,299,952. Bilia holds, as per March 2024, 4,315,709 own shares.

Gothenburg, March 2024

Bilia AB  
*The Board of Directors*