



N.B. This English text is an unofficial translation of the Swedish original of the notice to attend the annual general meeting, available for download at <https://www.aac-clyde.space/>. In case of any discrepancies between the Swedish and English language versions, the Swedish version shall prevail.

NOTICE TO ATTEND THE ANNUAL GENERAL MEETING IN AAC CLYDE SPACE AB (PUBL)

2020-04-30 AAC Clyde Space (publ)

The shareholders in AAC Clyde Space AB (publ), reg. no. 556677-0599 (the "Company"), are hereby given notice to attend the annual general meeting at 13.00 p.m. on 2 June 2020 at AAC Clyde Space's premises, Dag Hammarskjölds väg 48, SE-751 83 Uppsala, Sweden. Registration for the meeting commences at 12.30 p.m.

Information in relation to the Corona virus (covid-19)

In view of the recent developments of the spread of the corona virus (covid-19), the Company has taken certain precautionary measures in relation to the annual general meeting on 2 June 2020. The measures are being taken to reduce the risk of spread of contagion.

- Shareholders should carefully consider the possibility to vote in advance, please see below, as well as the possibility of participating by way of proxy. Shareholders who display symptoms of infection (dry cough, fever, respiratory distress, sore throat, headache, muscle and joint ache), have been in contact with people displaying symptoms, have visited a risk area, or belong to a risk group, are in particular encouraged to utilize such possibility. A form for advance voting and proxy form is available at www.aac-clyde.space.
- No external guests will be invited.
- No refreshments will be served prior to or after the annual general meeting.
- The CEO's speech will be published at the Company's website.
- Representation from the board of directors and management will be limited at the meeting.
- The forum for questions after the meeting will be held via the web, further instructions will be published at the company's website.
- Shareholders are urged to refrain from bringing assistants to the meeting if not absolutely necessary.

Notice

Shareholders wishing to participate at the meeting must:

- (i) be entered in the shareholders' register, kept by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation), on the record day which is 27 May 2020; and
- (ii) notify the Company of their attendance and any assistant no later than 27 May 2020. Notification can be made via e-mail to ann-christin.lejman@aac-clydespace.com or via letter to: AAC Clyde Space AB, Att: Ann-Christin Lejman, Uppsala Science Park, SE-751 83 Uppsala, Sweden.

Notification shall include full name, personal identification number or corporate registration number, address and daytime telephone number and, where appropriate, information about representative, proxy and assistants. The number of assistants may not be more than two. In order to facilitate entry to the meeting, notification should, where appropriate, be accompanied by powers of attorney, registration certificates and other documents of authority. Personal data collected from the register of shareholders kept by Euroclear Sweden AB, registration and participation in the meeting as well as information about deputies, representatives and assistants, will be used for registration, preparation of register of voters for the meeting and, where applicable, minutes of the meeting.



Nominee registered shares

Shareholders who have their shares registered in the name of a nominee must request temporary entry in the transcription of the register of shareholders kept by Euroclear Sweden AB in order to be entitled to participate and vote for their shares at the meeting. The shareholder must inform the nominee well in advance of 27 May 2020, at which time the register entry must have been made.

Proxy

A shareholder represented by proxy shall issue a power of attorney which shall be dated and signed by the shareholder. If issued by a legal entity, the power of attorney shall be accompanied by registration certificate or, if not applicable, equivalent documents of authority. Power of attorney forms for those shareholders wishing to participate by proxy are available on the Company's website www.aac-clyde.space. The original version of the power of attorney shall also be presented at the meeting.

Advance voting

The shareholders may exercise their voting rights at the general meeting by voting in advance, so called postal voting in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. The Company encourages the shareholders to use this opportunity in order to minimize the number of participants attending the general meeting in person and thus reduce the spread of infection of the corona virus.

A special form shall be used for advance voting. The form is available on the Company's website, www.aac-clyde.space. A shareholder who is exercising its voting right through advance voting do not need to notify the Company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be submitted to the Company no later than on 27 May 2020. The completed and signed form shall be sent to the address stated under "Notice" above. A completed form may also be submitted electronically and is to be sent to ann-christin.lejman@aac-clydespace.com. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The same apply for shareholders voting in advance by proxy. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid. Further instructions and conditions is included in the form for advance voting.

Proposed agenda

1. Election of chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one (1) or two (2) persons who shall approve the minutes of the meeting;
5. Determination of whether the meeting has been duly convened;
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report on the group;
7. Resolution in respect of adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet;
8. Resolution in respect of allocation of the company's profit or loss according to the adopted balance sheet;
9. Resolution in respect of the members of the board of directors' and the managing director's discharge from liability;
10. Determination of the number of members of the board of directors and the number of auditors and, where applicable, deputy auditors;
11. Determination of fees payable to the members of the board of directors and the auditors;
12. Election of the members of the board of directors, auditors and, where applicable, deputy auditors;
13. Resolution on directed issue of warrants (long term incentive program ("LTIP A")) to the Company for transfer to employees employed in Sweden within the incentive program;



14. Resolution on directed issue of warrants (long term incentive program (“LTIP B”)) to the Company for transfer to employees employed in the United Kingdom within the incentive program;
15. Resolution on directed issue of warrants (long term incentive program (“LTIP C”)) to the Company for transfer to members of the board of directors within the incentive program;
16. Resolution on changes in the Articles of Association;
17. Resolution on an authorization for the board of directors to increase the share capital; and
18. Closing of the meeting.

Proposed resolutions nomination committee

The nomination committee, consisting of Tommy Nilsson (appointed by Fouriertransform AB), Philip Woloszynski Tadayoni (appointed by MediumInvest A/S), John Wardlaw (appointed by Coralinn LLP), Jan Petersen (on his own behalf) and Rolf Hallencreutz (chairman of the board in the Company) has submitted the following proposals. The nomination committee has presented the following proposed resolutions in relation to items 1, 10-12 and 15 in the proposed agenda. The nomination committee has found no reason to present any proposal for the amendment of the principles for the appointment of and instructions concerning a nomination committee, adopted at the annual general meeting held 23 May 2019 which still is in force. The principles are available at the company’s website.

Item 1: Election of chairman of the meeting

The nomination committee proposes that attorney Marcus Nivinger is elected chairman of the meeting.

Item 10: Determination of the number of members of the board of directors and the number of auditors and, where applicable, deputy auditors

The nomination committee proposes that the board of directors shall consist of five (5) members without deputy members and that the company shall have one (1) registered auditor.

Item 11: Determination of fees payable to the members of the board of directors and the auditors

The nomination committee proposes that the fees to the board of directors, until the end of the next annual general meeting, shall amount to SEK 300,000 to the chairman of the board of directors and SEK 150,000 to each ordinary member of the board of directors. The nomination committee proposes that the fees to the company’s auditor be paid in accordance with approved invoices.

Item 12: Election of the members of the board of directors, auditors and, where applicable, deputy auditors

The nomination committee proposes re-election of Rolf Hallencreutz, Per Aniansson, Per Danielsson, Will Whitehorn and Anita Bernie until the end of the next annual general meeting. Furthermore, it is proposed that Rolf Hallencreutz is re-elected as chairman of the board of directors. Information about the proposed members of the board will be available at the company’s website www.aac-clyde.space.

The auditing company Öhrlings PricewaterhouseCoopers AB is proposed to be re-elected as auditor, which is in accordance with the board’s recommendation.

Item 15: Resolution on directed issue of warrants (long term incentive program (“LTIP C”)) to the Company for transfer to members of the board of directors within the incentive program

The nomination committee’s proposal on implementation of a long term incentive program for members of the board of directors in the company including (i) directed issue of warrants, and (ii) approval of transfer of warrants

The nomination committee in AAC Clyde Space AB (publ), reg. no. 556677-0599 (the “Company”, and together with subsidiaries the “Group”), proposes that the annual general meeting resolves to implement a long term incentive program (“LTIP”) by an issue of warrants including approval of transfer of warrants on the terms and conditions set out below (“Long Term Incentive Program 2020/2023:C”). The warrants



shall entail the right to subscribe for new shares in the Company. The warrants also apply to the terms and conditions, including the subscription price and the period within which the warrants may be exercised, as set out in the nomination committee's complete proposal.

Background

This proposal on implementation of a LTIP and the issue of warrants has been presented as the nomination committee, consisting of Tommy Nilsson, Philip Woloszynski Tadayoni, John Wardlaw and Jan Petersen (Rolf Hallencreutz, convenor in the nomination committee and the chairman of the board of directors did not participate in the decision to present this LTIP) considers it important and in the interests of all shareholders to facilitate participation for members of the board of directors regarding the Company's and the Group's development and ensure that these individuals share the goal of generating value-adding growth. It is also important to justify continued employment and assignments. The nomination committee therefore proposes that the annual general meeting decide on the issue of warrants as follows below.

Terms for the issue

1. The Company shall issue not more than 192,000 warrants. Each warrant entitle the holder to subscribe for one (1) share in the Company, each with a quotient value of SEK 0.04, and upon full exercise of the warrants the Company's share capital may thus increase by SEK 7,680 (provided that no re-calculation has been made at the time of exercise of the warrants which may affect the increase in share capital as a result of the proposed terms for the warrants).
2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by the Company, after which the Company shall transfer the warrants to members of the board of directors in the Company (the "Participants").
3. The Company's subscription of the warrants shall be made on a special subscription list within thirty (30) calendar days from the date of the general meeting that resolves on the issue.
4. The warrants are issued without consideration (i.e. free of charge) to the Company. The warrants are transferred to the Participants without consideration.
5. The warrants may be exercised for subscription of new shares during the period from and including 1 July 2023 until and including 31 December 2023. The maturity is thus about three (3) years from the date of issue. The warrants may not be exercised for subscription of new shares during the so called "closed periods" according to the EUs Market Abuse Regulation, or otherwise in violation with applicable rules regarding insider information (including the Company's own guidelines in this regard). Any warrants that have not been exercised for subscription of shares as of 31 December 2023 will expire.
6. Each warrant shall entitle the warrant holder to subscribe for one new share in the Company at a subscription price per share amounting to the volume-weighted average price for the Company's shares on First North Growth Market during the five trading days that occur most recently before the general meeting on June 2, 2020, the subscription price must not be less than the share's quota value.
7. The new shares entitle the holder to a dividend as from the record date closest after the new shares have been registered in a securities account.
8. The warrants shall be transferred to the Participants in accordance with the guidelines stated below.
9. For the warrants certain conditions shall apply, amongst other things customary re-calculation terms, as set out in the nomination committee's complete proposal.



Guidelines for the Company's transfer of warrants

The warrants shall be offered for the acquisition to the persons included in the table below with the stated maximum allocation:

Category	Maximum number of warrants per participant	Maximum number of warrants in each category
Chairman of the board of directors	64,000 (1 person)	64,000
Member of the board of directors	32,000 (4 persons*)	128,000

* Refers to current members of the board (excluding the Chairman) provided re-election at the 2020 annual general meeting.

Only those persons who are included in the said categories shall be offered the right to acquire warrants. The nomination committee shall decide which persons that shall be deemed to be included in each category and which persons that shall receive warrants. In the event of re-calculation, the Participants in each category shall have the right to acquire the same number of warrants.

Allocation of warrants to Participants outside Sweden shall - where applicable - be dependent on fiscal effects, that there are no legal obstacles and that the board considers that such allocation can be made with reasonable administrative and financial resources.

The transfer of the warrants to the Participants shall take place as soon as possible, but no later than 30 June 2020.

Reasons for the deviation from the shareholders' preferential rights

The reason for the deviation from the shareholders' preferential rights is to create involvement for the Participants in terms of the Company's and the Group's development and to ensure that these individuals share the goal of generating value-adding growth, and to motivate continued employment and assignments.

The warrants are proposed to be issued to the Company for transfer to Participants in the LTIP.

Dilution, costs etc.

The company has a total share capital of SEK 3,848,310.36 divided into a total of 96,207,759 shares. Each share entitles to one vote in the Company. There are no outstanding share related incentive programs or instruments in the Company.

When fully exercised the warrants under this proposal will lead to 192,000 new shares being issued in the Company (with reservation for potential re-calculations in accordance with customary terms for the warrants), resulting in a dilution of approximately 0.2 per cent as far as the Company's share capital and voting rights/number of shares are concerned. The dilution effect has been calculated as the number of additional shares respectively votes at full exercise in relation to the sum of the current number of shares respectively votes, and the number of additional shares respectively votes at full exercise.

Upon full exercise of the warrants under this proposed LTIP for members of the board of directors and full exercise of the warrants under the board of directors' proposed incentive programs for employees in the United Kingdom and Sweden (all three incentive programs to be treated at the annual general meeting held on June 2, 2020) a total of 4,032,000 new shares will be issued in the Company, resulting in a dilution of approximately 4 per cent (of which approximately 0.2 per cent refers to the incentive program for members of the board, approximately 0.9 per cent refers to the incentive program for employees in Sweden and approximately 2.9 per cent refers to the incentive program for employees in the United Kingdom) as far as the Company's share capital is concerned, as well as the total share/voting rights. The dilution effect has been calculated as the number of additional shares respectively votes at full exercise in all three incentive programs in relation to the sum of the current number of shares



respectively votes, and the number of additional shares respectively votes at full exercise in all three incentive programs.

Due to the fact that the warrants will be transferred without consideration special social security fees are expected to arise for the Group. These fees will amount to approximately 30 per cent of the warrants market value at the time of the transfer of the warrants. It should also be noted that applicable tax procedures in different jurisdictions could be altered. Other external costs that arise as a result of the LTIP are mainly costs for advice and for registration and practical management of the program. Ongoing costs for administration and other costs are marginal.

The LTIP is expected to have a limited effect on the Company's key performance indicators.

Restrictions regarding disposal and exercise of the warrants

The Participants will not be able to exercise the warrants unless they have previously been offered to the Company and subsequently transferred to the Participants. Furthermore, the Participants will only be able to subscribe for shares with the support of the warrants after special agreed vesting periods. Such restrictions will be agreed upon, in separate war-rant agreements, with the respective Participant in connection with their acquisition of warrants from the Company. According to the warrant agreements the total amount of war-rants that are allotted to each Participant shall be vested in three equal parts as of the date of each annual general meeting in the Company from 2020 to 2023 (i.e. approximately 33 per cent of the total number of warrants will be vested each year) and conditional on continued employment/assignments in the Group. For example a person that was a member of the board of directors at the previous annual general meeting that is still a member of the board of directors at the date of the annual general meeting of 2021 (not necessarily re-elected at the annual general meeting of 2021) will be allowed to keep his/hers warrants that has been vested during 2020 (i.e. approximately 33 per cent of his/hers maximum allotment) and correspondently a person that is still a member of the board of directors at the date of the annual general meeting of 2022 will be allowed to keep his/hers vested war-rants for 2020 and 2021 (i.e. approximately 66 per cent of his/hers maximum allotment), with reservation for the terms regarding pre-mature termination of service (so called good and bad leaver terms) and other customary terms for warrant agreements.

Preparation of the proposal

The proposed LTIP has been prepared by the nomination committee in consultation with external advisors and after consultations with certain major shareholders. The final proposal has been submitted by the nomination committee (excluding Rolf Hallencreutz).

Miscellaneous

It is proposed that the annual general meeting resolve to adopt the LTIP described above and decide on the issue of warrants on the above terms including approval of the Company's transfer of warrants to the Participants.

The CEO, or a person appointed by the CEO, shall have the right to make the minor adjustments required to register the resolution, and the CEO shall have the right to make the minor adjustments required in the LTIP in order to be conformal with applicable foreign laws and regulations.

Proposed resolutions presented by the board of directors

The board has presented the following proposed resolutions in relation to items 8, 13, 14, 16 and 17 on the proposed agenda. The board has found no reason to present any proposal for the amendment of the guidelines for remuneration to senior management that the annual general meeting held on 23 May 2019 resolved to implement, which still is in force. These guidelines are presented below.



Existing guidelines for remuneration to the senior management that were approved by the annual general meeting held on 23 May 2019

Remuneration

The main principle is that remuneration and other employment conditions for members of the senior management shall be based on market terms and competitive in order to ensure that the group can attract and retain competent members of the senior management at a reasonable cost for the company.

The total remuneration for the senior management shall consist of fixed salary, variable remuneration, pension and other benefits. In order to avoid that the senior management is encouraged to take inappropriate risks, there shall be a fundamental balance between fixed and variable remuneration. The fixed salary shall thus be large enough in relation to the total remuneration paid to the senior management in order to render it possible to reduce the variable remuneration to zero. The variable remuneration to a member of the senior management whose function or total remuneration level implies that he or she can have a material effect on the company's risk profile, may not be greater than the fixed salary.

Fixed salary

Each member of the senior management shall be offered a fixed salary on market terms, based on the degree of difficulty of the work performed, as well as experience, responsibilities, competence and performances. The fixed salary shall be adjusted annually.

Variable remuneration

In addition to the fixed annual salary, the members of the group's senior management may be offered variable remuneration which shall be paid in cash and based on the result in relation to the company's financial development and/or performance goals within the respective area of responsibility and be in line with the shareholders' interests. Variable remuneration shall correspond to a maximum of 50 % of the fixed annual salary for the CEO and a maximum of 50 % of the fixed annual salary for other members of the group's senior management. Should variable remuneration paid have been based on information that later shows to have been evidently incorrect, the company shall have the possibility to request repayment. Variable remuneration shall not entitle to pension, unless otherwise agreed upon.

Variable remuneration shall be based on clear, predetermined and measurable criteria and financial results and predefined goals and operational goals, as well as designed with the objective to promote the company's long-term value creation.

Pension

Members of the senior management shall, unless otherwise specifically agreed upon, be offered pension terms which are in accordance with the market in the country where the members of the senior management are habitually resident.

Variable remuneration shall, as a main rule, not be pension qualifying.

Other benefits

Other benefits such as a company car, additional health insurance and medical benefits shall be limited in value in relation to other remuneration and shall be paid only in so far as it is considered to be in accordance with the market for other members of senior managements holding corresponding positions on the employment market where the member in question is operating.

Long-term share based incentive programmes

The board of directors shall each year consider whether the annual general meeting is to be proposed to adopt a share based incentive program. Proposed incentive programs shall contribute to a long-term value growth.



It shall be possible to offer members of the senior management corresponding incentives as should have been offered pursuant to a share based incentive program, should it show to be practically impossible to effectuate such program in the tax domicile of a member of the senior management, or if the company assesses that such participation cannot take place at reasonable administrative costs or financial contributions. The cost and the investment for the company as well as the incentive and financial outcome for the senior management member in question shall under those circumstances essentially correspond to the share based incentive program, unless the company considers a deviation to be in line with the shareholders' interests.

Notice

The notice period upon notice given by the company shall be no longer than 12 months for all members of the senior management, with a right to redundancy payment after the expiration of the notice period corresponding to not more than 100% of the fixed salary for a maximum of 12 months, meaning that the fixed salary and redundancy payment shall together not exceed 24 months' fixed salary. Any right to redundancy payment shall, as a main rule, decrease in situations where remuneration is received from another employer. Upon notice given by a member of the senior management, the notice period shall generally be 6 months for the CEO and 3-6 months for other members of the senior management.

Remuneration to board members

In so far as board members elected by the general meeting are performing work that stretches beyond the tasks of the board of directors, it shall be possible to pay them for such work. Such remuneration shall be market based and shall be approved by the board of directors.

Scope

These guidelines shall encompass those persons that are members of the senior management of the group during the period when the guidelines are in force. The guidelines are applicable on agreements entered into after the general meeting's decision, and as far as changes are made to existing agreements, thereafter. The board of directors shall be entitled to deviate from the guidelines in individual cases if there are special reasons for doing so.

Information in regards to previously decided remuneration

Except for recurring commitments, there are no remuneration commitments in relation to members of the senior management that have not become due.

Below the board of directors' proposals to the annual general meeting held on 2 June 2020 are presented.

Item 8: Resolution in respect of allocation of the company's profit or loss according to the adopted balance sheet

The board of directors proposes that the company's losses is allocated in accordance with the board of directors proposal in the annual report, page 25. No dividend will be paid to the shareholders for the financial year of 2019.

Item 13: Resolution on directed issue of warrants (long term incentive program ("LTIP A")) to the Company for transfer to employees employed in Sweden within the incentive program

The board of directors' proposal on implementation of a long term incentive program for employees in Sweden in the group including (i) directed issue of warrants, and (ii) approval of transfer of warrants
The board of directors in AAC Clyde Space AB (publ), reg. no. 556677-0599 (the "Company", and together with subsidiaries the "Group"), proposes that the annual general meeting resolves to implement a long term incentive program ("LTIP") by an issue of warrants including approval of transfer of warrants on the terms and conditions set out below ("Long term incentive program 2020/2023:A"). The warrants shall entail the right to subscribe for new shares in the Company. The warrants also apply to the terms and conditions, including the subscription price and the period within which the warrants may be exercised, as set out in the board's complete proposal.



Background

This proposal on implementation of a LTIP and the issue of warrants has been presented as the board of directors considers it important and in the interests of all shareholders to facilitate participation for employees, including consultants, regarding the Company's and the Group's development and ensure that these individuals share the goal of generating value-adding growth. It is also important to justify continued employment and assignments. The board therefore proposes that the annual general meeting decide on the issue of warrants as follows below.

Terms for the issue

1. The Company shall issue not more than 928,000 warrants. Each warrant entitle the holder to subscribe for one (1) share in the Company, each with a quotient value of SEK 0.04, and upon full exercise of the warrants the Company's share capital may thus increase by SEK 37,120 (provided that no re-calculation has been made at the time of exercise of the warrants which may affect the in-crease in share capital as a result of the proposed terms for the warrants).
2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by the Company, after which the Company shall transfer the warrants to employees employed in Sweden (including consultants) in the Group (the "Participants").
3. The Company's subscription of the warrants shall be made on a special subscription list within five (5) calendar days from the date of the general meeting that resolves on the issue. The Board shall have the right to extend the subscription period.
4. The warrants are issued without consideration (i.e. free of charge) to the Company. The warrants are transferred to the Participants without consideration.
5. The warrants may be exercised for subscription of new shares during the period from and including 1 July 2023 until and including 31 December 2023. The maturity is thus about three (3) years from the date of issue. The warrants may not be exercised for subscription of new shares during the so called "closed periods" according to the EUs Market Abuse Regulation, or otherwise in violation with applicable rules regarding insider information (including the Company's own guidelines in this regard). Any warrants that have not been exercised for subscription of shares as of 31 December 2023 will expire.
6. Each warrant shall entitle the warrant holder to subscribe for one new share in the Company at a subscription price per share amounting to the volume-weighted average price for the Company's shares on First North Growth Market during the five trading days that occur most recently before the general meeting on June 2, 2020, the subscription price must not be less than the share's quota value.
7. The new shares entitle the holder to a dividend as from the record date closest after the new shares have been registered in a securities account.
8. The warrants shall be transferred to the Participants in accordance with instructions issued by the board of directors in accordance with the guidelines stated below.
9. For the warrants certain conditions shall apply, amongst other things customary re-calculation terms, as set out in the board's complete proposal.

Guidelines for the Company's transfer of warrants

The warrants shall be offered for the acquisition to the persons included in the table below with the stated maximum allocation:



Category	Maximum number of warrants per participant	Maximum number of warrants in each category
Management	64,000	128,000
Employees	32,000	800,000

Only those persons who are included in the said categories shall be offered the right to acquire warrants. The board of directors shall decide which persons that shall be deemed to be included in each category and which persons that shall receive warrants. In the event of re-calculation, the Participants in each category shall have the right to acquire the same number of warrants. Members of the board of directors are not allowed to participate.

Allocation of warrants to Participants outside Sweden shall - where applicable - be dependent on fiscal effects, that there are no legal obstacles and that the board considers that such allocation can be made with reasonable administrative and financial resources.

The transfer of the warrants to the Participants shall take place as soon as possible, but no later than 30 June 2020.

The Company may allow the Participant in the LTIP to exercise their warrants through a cashless exercise that the Company deems fitting, including but not limited to loan-financed exercise of the warrants or subscription of a lower number of shares without cash consideration.

Reasons for the deviation from the shareholders' preferential rights

The reason for the deviation from the shareholders' preferential rights is to create involvement for the Participants in terms of the Company's and the Group's development and to ensure that these individuals share the goal of generating value-adding growth, and to motivate continued employment and assignments.

The warrants are proposed to be issued to the Company for transfer to Participants in the LTIP.

Dilution, costs etc.

The company has a total share capital of SEK 3,848,310.36 divided into a total of 96,207,759 shares. Each share entitles to one vote in the Company. There are no outstanding share related incentive programs or instruments in the Company.

When fully exercised the warrants under this proposal will lead to 928,000 new shares being issued in the Company (with reservation for potential re-calculations in accordance with customary terms for the warrants), resulting in a dilution of approximately 0.95 per cent as far as the Company's share capital and voting rights/number of shares are concerned. The dilution effect has been calculated as the number of additional shares respectively votes at full exercise in relation to the sum of the current number of shares respectively votes, and the number of additional shares respectively votes at full exercise.

Upon full exercise of the warrants under this proposed LTIP for employees in Sweden and full exercise of the warrants under the board of directors' and the nomination committee's proposed incentive programs for employees in the United Kingdom and members of the board (all three incentive programs to be treated at the annual general meeting held on June 2, 2020) a total of 4,032,000 new shares will be issued in the Company, resulting in a dilution of approximately 4 per cent (of which approximately 0.2 per cent refers to the incentive program for members of the board, approximately 0.9 per cent refers to the incentive program for employees in Sweden and approximately 2.9 per cent refers to the incentive program for employees in the United Kingdom) as far as the Company's share capital is concerned, as well as the total share/voting rights. The dilution effect has been calculated as the number of additional shares respectively votes at full exercise in all three incentive programs in relation to the sum of the current



number of shares respectively votes, and the number of additional shares respectively votes at full exercise in all three incentive programs.

Due to the fact that the warrants will be transferred without consideration special social security fees are expected to arise for the Group. These fees will amount to approximately 30 per cent of the warrants market value at the time of the transfer of the warrants. It should also be noted that applicable tax procedures in different jurisdictions could be altered. Other external costs that arise as a result of the LTIP are mainly costs for advice and for registration and practical management of the program. Ongoing costs for administration and other costs are marginal.

The LTIP is expected to have a limited effect on the Company's key performance indicators.

Restrictions regarding disposal and exercise of the warrants

The Participants will not be able to exercise the warrants unless they have previously been offered to the Company and subsequently transferred to the Participants. Furthermore, the Participants will only be able to subscribe for shares with the support of the warrants after special agreed vesting periods. Such restrictions will be agreed upon, in separate warrant agreements, with the respective Participant in connection with their acquisition of warrants from the Company. According to the warrant agreements the total amount of warrants that are allotted to each Participant shall be vested in three equal parts as of 1 June from 2020 to 2023 (i.e. approximately 33 per cent of the total number of warrants will be vested each year) and conditional on continued employment/assignments in the Group, with reservation for the terms in the separate warrant agreement that shall be entered into between each Participant and the Company. For example a person that was employed or hired as consultant as of the previous 1 June that is still employed or hired as consultant as of 1 June 2021 shall be allowed to keep his/hers warrants that has been vested during 2020 (i.e. approximately 33 per cent of his/hers maximum allotment) and correspondently a person that is still employed or hired as consultant as of 1 June 2022 will be allowed to keep his/hers vested warrants for 2020 and 2021 (i.e. approximately 66 per cent of his/hers maximum allotment), with reservation for the terms regarding pre-mature termination of service (so called good and bad leaver terms) and other customary terms for warrant agreements.

Preparation of the proposal

The proposed LTIP has been prepared by the board of directors in consultation with external advisors and after consultations with certain major shareholders. The final proposal has been submitted by the board of directors.

Miscellaneous

It is proposed that the annual general meeting resolve to adopt the LTIP described above and decide on the issue of warrants on the above terms including approval of the Company's transfer of warrants to the Participants.

The Board of Directors, or a person appointed by the board of directors, shall have the right to make the minor adjustments required to register the resolution, and the board of directors shall have the right to make the minor adjustments required in the LTIP in order to be conformal with applicable foreign laws and regulations.

Item 14: Resolution on directed issue of warrants (long term incentive program ("LTIP B")) to the Company for transfer to employees employed in the United Kingdom within the incentive program

The board of directors' proposal on implementation of a long term incentive program for employees in the United Kingdom in the group including (i) directed issue of warrants, and (ii) approval of transfer of warrants

The board of directors in AAC Clyde Space AB (publ), reg. no. 556677-0599 (the "Company", and together with subsidiaries the "Group"), proposes that the annual general meeting resolves to implement a long term incentive program ("LTIP") by an issue of warrants including approval of transfer of warrants on the



terms and conditions set out below (“Long term incentive program 2020/2023:B”). The warrants shall entail the right to subscribe for new shares in the Company. The warrants also apply to the terms and conditions, including the subscription price and the period within which the warrants may be exercised, as set out in the board’s complete proposal.

Background

This proposal on implementation of a LTIP and the issue of warrants has been presented as the board of directors considers it important and in the interests of all shareholders to facilitate participation for employees, including consultants, regarding the Company's and the Group's development and ensure that these individuals share the goal of generating value-adding growth. It is also important to justify continued employment and assignments. The board therefore proposes that the annual general meeting decide on the issue of warrants as follows below.

Terms for the issue

1. The Company shall issue not more than 2,912,000 warrants. Each warrant entitle the holder to subscribe for one (1) share in the Company, each with a quotient value of SEK 0.04, and upon full exercise of the warrants the Company's share capital may thus increase by SEK 116,480 (provided that no re-calculation has been made at the time of exercise of the warrants which may affect the increase in share capital as a result of the proposed terms for the warrants).
2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by the Company, after which the Company shall transfer the warrants to employees employed in the United Kingdom (including consultants) in the Group (the "Participants").
3. The Company's subscription of the warrants shall be made on a special subscription list within five (5) calendar days from the date of the general meeting that resolves on the issue. The Board shall have the right to extend the subscription period.
4. The warrants are issued without consideration (i.e. free of charge) to the Company. The warrants are transferred to the Participants without consideration.
5. The warrants may be exercised for subscription of new shares during the period from and including 1 July 2023 until and including 31 December 2023. The maturity is thus about three (3) years from the date of issue. The warrants may not be exercised for subscription of new shares during the so called “closed periods” according to the EUs Market Abuse Regulation, or otherwise in violation with applicable rules regarding insider information (including the Company's own guidelines in this regard). Any warrants that have not been exercised for subscription of shares as of 31 December 2023 will expire.
6. Each warrant shall entitle the warrant holder to subscribe for one new share in the Company at a subscription price per share amounting to the volume-weighted average price for the Company's shares on First North Growth Market during the five trading days that occur most recently before the general meeting on June 2, 2020, the subscription price must not be less than the share's quota value..
7. The new shares entitle the holder to a dividend as from the record date closest after the new shares have been registered in a securities account.
8. The warrants shall be transferred to the Participants in accordance with instructions issued by the board of directors in accordance with the guidelines stated below.
9. For the warrants certain conditions shall apply, amongst other things customary re-calculation terms, as set out in the board's complete proposal.



Guidelines for the Company's transfer of warrants

The warrants shall be offered for the acquisition to the persons included in the table below with the stated maximum allocation:

Category	Maximum number of warrants per participant	Maximum number of warrants in each category
CEO	96,000	96,000
Management	64,000	320,000
Employees	32,000	2,496,000

Only those persons who are included in the said categories shall be offered the right to acquire warrants. The board of directors shall decide which persons that shall be deemed to be included in each category and which persons that shall receive warrants. In the event of re-calculation, the Participants in each category shall have the right to acquire the same number of warrants. Members of the board of directors are not allowed to participate.

Allocation of warrants to Participants outside Sweden shall - where applicable - be dependent on fiscal effects, that there are no legal obstacles and that the board considers that such allocation can be made with reasonable administrative and financial resources.

The transfer of the warrants to the Participants shall take place as soon as possible, but no later than 30 July 2020. The board shall have the right to prolong the time period for the transfer, however the maturity must be at least 3 years for the Participants from the time of the transfer.

The Company may allow the Participant in the LTIP to exercise their warrants through a cashless exercise that the Company deems fitting, including but not limited to loan-financed exercise of the warrants or subscription of a lower number of shares without cash consideration.

Reasons for the deviation from the shareholders' preferential rights

The reason for the deviation from the shareholders' preferential rights is to create involvement for the Participants in terms of the Company's and the Group's development and to ensure that these individuals share the goal of generating value-adding growth, and to motivate continued employment and assignments.

The warrants are proposed to be issued to the Company for transfer to Participants in the LTIP.

Dilution, costs etc.

The company has a total share capital of SEK 3,848,310.36 divided into a total of 96,207,759 shares. Each share entitles to one vote in the Company. There are no outstanding share related incentive programs or instruments in the Company.

When fully exercised the warrants under this proposal will lead to 2,912,000 new shares being issued in the Company (with reservation for potential re-calculations in accordance with customary terms for the warrants), resulting in a dilution of approximately 2.94 per cent as far as the Company's share capital and voting rights/number of shares are concerned. The dilution effect has been calculated as the number of additional shares respectively votes at full exercise in relation to the sum of the current number of shares respectively votes, and the number of additional shares respectively votes at full exercise.

Upon full exercise of the warrants under this proposed LTIP for employees in the United Kingdom and full exercise of the warrants under the board of directors' and the nomination committee's proposed incentive programs for employees in Sweden and members of the board (all three incentive programs to be treated at the annual general meeting held on June 2, 2020) a total of 4,032,000 new shares will be issued in the Company, resulting in a dilution of approximately 4 per cent (of which approximately 0.2



per cent refers to the incentive program for members of the board, approximately 0.9 per cent refers to the incentive program for employees in Sweden and approximately 2.9 per cent refers to the incentive program for employees in the United Kingdom) as far as the Company's share capital is concerned, as well as the total share/voting rights. The dilution effect has been calculated as the number of additional shares respectively votes at full exercise in all three incentive programs in relation to the sum of the current number of shares respectively votes, and the number of additional shares respectively votes at full exercise in all three incentive programs.

No special social security fees and taxes are expected to arise for the Group. It should be noted that applicable tax procedures in different jurisdictions could be altered. Other external costs that arise as a result of the LTIP are mainly costs for advice and for registration and practical management of the program. Ongoing costs for administration and other costs are marginal.

The LTIP is expected to have a limited effect on the Company's key performance indicators.

Restrictions regarding disposal and exercise of the warrants

The Participants will not be able to exercise the warrants unless they have previously been offered to the Company and subsequently transferred to the Participants. Furthermore, the Participants will only be able to subscribe for shares with the support of the warrants after special agreed vesting periods. Such restrictions will be agreed upon, in separate warrant agreements, with the respective Participant in connection with their acquisition of warrants from the Company. According to the warrant agreements the total amount of warrants that are allotted to each Participant shall be vested in three equal parts as of 1 June from 2020 to 2023 (i.e. approximately 33 per cent of the total number of warrants will be vested each year) and conditional on continued employment/assignments in the Group, with reservation for the terms in the separate warrant agreement that shall be entered into between each Participant and the Company. For example a person that was employed or hired as consultant as of the previous 1 June that is still employed or hired as consultant as of 1 June 2021 shall be allowed to keep his/hers warrants that has been vested during 2020 (i.e. approximately 33 per cent of his/hers maximum allotment) and correspondently a person that is still employed or hired as consultant as of 1 June 2022 will be allowed to keep his/hers vested warrants for 2020 and 2021 (i.e. approximately 66 per cent of his/hers maximum allotment), with reservation for the terms regarding pre-mature termination of service (so called good and bad leaver terms) and other customary terms for warrant agreements.

Preparation of the proposal

The proposed LTIP has been prepared by the board of directors in consultation with external advisors and after consultations with certain major shareholders. The final proposal has been submitted by the board of directors.

Miscellaneous

It is proposed that the annual general meeting resolve to adopt the LTIP described above and decide on the issue of warrants on the above terms including approval of the Company's transfer of warrants to the Participants.

The Board of Directors, or a person appointed by the board of directors, shall have the right to make the minor adjustments required to register the resolution, and the board of directors shall have the right to make the minor adjustments required in the LTIP in order to be conformal with applicable foreign laws and regulations.

Item 16: Resolution on changes in the Articles of Association

The below change to the articles of association is proposed by reason of the right to participate at the general meeting being regulated by the Swedish Companies Act (2005: 551) and therefore does not need to be part of the articles of association, and that an expected legislative change in 2020 will lead to the current wording being contrary to law. The board of directors therefore proposes that the writing in the 8



clause in the articles of association is amended in accordance with the following:

Present wording	Proposed wording
<p>Notices of shareholders' meetings shall be made by announcement in the Swedish Official Gazette (sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens Industri that a notice has been made.</p> <p>Shareholders wishing to participate in shareholders' meetings must be listed as shareholder in a printout or other presentation of the entire share register reflecting the circumstances five weekdays before the shareholders' meeting and notify the company no later than the date specified in the notice of the shareholders' meeting. The last mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the shareholders' meeting. A shareholder may be accompanied by advisors at a shareholders' meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.</p>	<p>Notices of shareholders' meetings shall be made by announcement in the Swedish Official Gazette (sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens Industri that a notice has been made.</p> <p>Shareholders wishing to participate in shareholders' meetings must notify the company no later than the date specified in the notice of the shareholders' meeting. A shareholder may be accompanied by advisors at a shareholders' meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.</p>

Item 17: Resolution on an authorization for the board of directors to increase the share capital

The board of directors of AAC Clyde Space AB (publ), reg. no 556677-0599 ("the Company") proposes that the annual general meeting on 2 June 2020 resolves to authorise the board of directors, for the period up to the next annual general meeting, whether on one or several occasions and either with or without deviation from the shareholders' preferential rights, to adopt resolutions to issue new shares, warrants and/or convertible loans, by increasing the share capital and number of shares of not more than what is allowed without changing the articles of association. Payment shall be made by cash or through payment in kind, by set-off or subject to other conditions.

The purpose of the authorisation and the reason for any deviation from the shareholders' preferential right is primarily to enable the company to raise capital in a time-efficient manner under prevailing circumstances regarding the uncertainty caused by the spread of Covid-19. According to the board of directors, this uncertainty that currently characterizes the market results in increased demands on the company's flexibility regarding the ability to raise capital. Another reason for the authorization and possible deviation from the shareholders' preferential rights is to be able to finance corporate acquisitions or other investments in promising projects in a time-efficient manner and/or to broaden the shareholder base. New issue of shares or new issue of warrants or convertible loans by virtue of the authorisation shall, in the event of deviation from the shareholders' preferential rights, be made to market price according to the current market conditions at the time when shares, warrants and / or convertible loans are issued.



Majority requirements

The proposed implementation of LTIP for employees and the board of directors by way of a directed issues of warrants, and the approval of transfer of warrants to the Participants, is governed by the provisions in Chapter 16 of the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)), and a valid resolution regarding items 13-15 above, therefore requires that each proposal, respectively, is supported by shareholders representing at least nine-tenths (9/10) of the votes cast as well as of all shares represented at the meeting. For valid resolutions regarding changes of the articles of association in accordance with item 16 above and to authorize the board of directors to increase the share capital in accordance with item 17 above it is required that each resolution, respectively, is supported by shareholders representing at least two thirds (2/3) of the votes cast as well as of all shares represented at the meeting.

Number of shares and votes in the company

The total number of shares in the Company at the time of issuance of this notice is 96,207,759. The Company does not hold any of its own shares.

Shareholders' right to request information

Pursuant to Chapter 7 section 32 of the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) the board of directors and the CEO are under a duty to, if any shareholder so requests and the board of directors deems that it can be made without material damage to the Company, provide information, regarding circumstances which may affect the assessment of a matter on the agenda or of the Company's economic situation. Such duty to provide information also comprises the Company's relation to the other group companies, the consolidated financial statements and such circumstances regarding subsidiaries which are set out in the foregoing sentence.

Processing of data

For information on how personal data is processed in relation the meeting, see the <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Documentation

The financial accounts, auditor's report, complete proposals and other documents to be dealt with at the general meeting will be kept available at the Company's office not later than three weeks before the meeting. The documents will be sent free of charge to shareholders who so request and state their postal address. The documents will also be made available not later than the aforementioned date on the Company's website www.aac-clyde.space. All the above mentioned documents will also be presented at the general meeting.

Uppsala, April 2020

The board of directors



For more information:

Please visit: www.aac-clyde.space or contact:

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AAC Clyde Space AB (publ) in brief

The group AAC Clyde Space offers turnkey solutions and services from mission design to on-orbit operations, including reliable customizable satellite platforms in the range of 1 to 50 kg and a full range of subsystems for cube and small satellites. With unrivalled flight heritage and end-to-end service, AAC Clyde Space enables customers to reach their mission goals through a single, trusted point of contact.

AAC Clyde Space's shares are traded on Nasdaq First North Premier Growth Market. Erik Penser Bank AB, e-mail certifiedadviser@penser.se, telephone +46 8 463 83 00, is the Certified Adviser.