
Q&A ANNUAL GENERAL MEETING 2021

For the 2019 financial year the total dividend was SEK 6.20 per share while the proposed dividend for the financial year 2020 is SEK 2.20 per share. Can you explain the difference?

The total dividend of SEK 6.20 per share during the 2019 financial year does not take into account the share split (ratio 3:1) that was implemented in the company in November 2020. In order to compare the dividend for the 2019 financial year with the dividend proposed by the Board of Directors for the 2020 financial year, the share split needs to be taken into account i.a., the total dividend for the financial year 2019, adjusted for the share split 3:1, was SEK 2.07 per share.

Further background

For the 2019 financial year, the Board of Directors originally proposed a dividend of SEK 6.20 per share (before share split), however the Board of Directors adjusted the initial proposal, due to the uncertainty caused by Covid-19, to 3.10 per share (before share split). The annual general meeting on 23 April 2020, resolved on a dividend of SEK 3.10 per share (before share split) in accordance with the Board of Directors adjusted proposal.

In the fall of 2020, the Board of Directors considered that the market situation had stabilised and that the company had the prerequisites to proceed with an extraordinary dividend. The extraordinary general meeting resolved on 22 October 2020, as proposed by the Board of Directors, on an extraordinary dividend distribution to the shareholders of SEK 3.10 per share (before share split).

At the extraordinary general meeting on 22 October 2020, the general meeting also resolved, as proposed by the Board of Directors, on a split of the company's shares (so called share split) whereby each existing share of the company is divided into three shares of the same class (ratio 3:1). The main reason behind the split was to ensure a more favorable price of the Sweco share. The share split was then implemented in November 2020.

Why does the Board of Directors propose that the Articles of Association shall be amended and what do the amendments mean?

The reason for the proposal on amendments to the Articles of Association is to enable the company to use the alternatives provided by the Swedish Companies Act to decide on postal voting and to decide on attendance at a general meeting for persons not being shareholders. The motive for the amendments is to increase the company's ability to adapt to situations where a pandemic or other global development may require alternative forms of conducting general meetings.

The proposal contains two amendments to the Articles of Association. One of the amendments regard the possibility for the Board of Directors to decide on postal voting even after the *Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations* ceases to apply. For it to be possible for the Board of Directors to decide on postal voting after this Act has ceased, there must, according to the Swedish Companies Act, be a clause stipulating this in the Articles of Association. The second amendment regard the possibility for the Board of Directors to decide that persons who are not shareholders shall be allowed to attend a general meeting. This possibility may, for example, be necessary in the event that the company would need to hold a digital meeting.

For the avoidance of doubt, the Board of Directors' wish is that future general meetings shall be held physically. However, in order to make it easier for the company in the event that postal voting or the right to attend a general meeting for persons who are not shareholders may be needed, the Board of Directors' wish that the company have these options available.

The proposed Share Savings Scheme 2021 differs from previous share savings programs regarding performance targets. What are the changes and what do they mean?

In order to further promote and share a common view of the development of the Sweco share between the shareholders and the participants in the program, the Board of Directors has proposed a change of the performance target for the Share Savings Scheme 2021.

For previous schemes, the performance target is linked to absolute and relative total shareholder return ("TSR") for the Sweco share in relation to a group of benchmark companies. As of this year, the Board of Directors' proposal also include a performance target based on the accumulated earnings per share ("EPS") for Sweco. The new performance target entails requirements that the accumulated earnings per Sweco share during the period is positive and within a predetermined interval. The two performance targets are proposed to have equal weighting, i.e. 50% each.

The new performance target has a clear connection to the profitability of Sweco. In addition, the group of benchmark companies has decreased somewhat in number, which is why the Board of Directors believes that the performance target linked to absolute and relative TSR for the Sweco share has slightly decreased in relevance.

For further information, please see the Board of Directors' proposal for Share Savings Scheme 2021, item 16.