

Press release 29 April 2019

The Board announces target levels for long-term share-based incentive program (LTIP 2019)

The notice of the Annual General Meeting of Mekonomen AB (publ) discloses the Board's proposal for a long-term share-based incentive program (LTIP 2019). The Board hereby announces the target levels of TSR and the Group's equity/assets ratio, which are substantially equivalent to those approved by the 2018 Annual General Meeting for LTIP 2018.

According to the proposal, the share Rights are divided into Series A and Series B. Of the five Share Rights (received for each investment share), the participants receive one Share Right of Series A and four Share Rights of Series B. The number of Share Rights that entitles to allocation of shares depends on the achievement of the financial key ratios and performance targets that apply for the respective series as follow from the proposal:

- Series A: Allocation requires certain levels of the total shareholder return (TSR) on Mekonomen's share during the period 1 April 2019 – 31 March 2022 and of the Group's equity/assets ratio at the end of the financial year 2021.
- Series B: Allocation requires that the levels in Series A are achieved and, in addition, that certain target levels are achieved relating to growth in earnings per share in Mekonomen during the financial years 2019 – 2021 compared to earnings per share for the financial year 2018. The Board has determined a minimum level and a maximum level for each performance target. If the degree of achievement is between the minimum and the maximum levels, the outcome will be measured on a linear basis. The Board will adjust the outcome for items affecting comparability and for any effects relating to repurchase of shares in the Company. Mekonomen intends to present the target levels and to what extent these have been achieved after the end of the program.

The Board has determined the target levels that TSR shall exceed 0 per cent during the period 1 April 2019 – 31 March 2022 and that the Group's equity/assets ratio shall exceed 40 per cent at the end of the financial year 2021.

The fundamental reason for establishing LTIP 2019 is to align the shareholders' interests with the interests of the company management and other key employees to ensure maximum long-term value creation and to encourage a personal shareholding in Mekonomen. In addition, the Board is of the opinion that LTIP 2019 will help Mekonomen to recruit and retain members of the company management and other key employees.

For further information, please contact:

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