

Proposal for resolution regarding (a) amendment of resolution on issue of share awards to certain members of the board of directors of Oatly Group AB (publ) and (b) approval of transfer of treasury warrants issued in connection with the share award program

Background and reason

Oatly Group AB (publ) (the “**Company**” or “**Oatly**”) has in 2021 adopted an incentive award plan (the “**Oatly Incentive Plan**”) under which the Company may, subject to approval by the shareholders at a general meeting, issue different types of awards, including stock options, restricted stock units and other incentive awards.

Pursuant to the Oatly Incentive Plan, an extraordinary general meeting held on 6 May 2021 resolved to implement an incentive program for members of the board of directors who are not employed by the Oatly group, or by Verlinvest, China Resources, Blackstone or Östersjöstiftelsen (the “**Board Participants**”), under the Oatly Incentive Plan (the “**Board LTIP**”). Under the Board LTIP, the Company may grant share awards (“**Share Awards**”) to the Board Participants. The Board LTIP was amended through resolutions at the annual general meetings on 25 May 2023 and 15 May 2024.

In order to secure delivery of ordinary shares under the Board LTIP, the general meeting held on 6 May 2021 resolved on issue and approval of transfer of 1,389,933 warrants of series 2021-B, each exercisable into one ordinary share in the Company (the “**2021-B Warrants**”).

Equity-based awards are a central part of an attractive and competitive remuneration package in order to attract, retain and motivate internationally competent members of the board of directors, and to focus the Board Participants on delivering exceptional performance which contributes to value creation for all shareholders. Granting equity-based awards to certain members of the board of directors will increase and strengthen the Board Participants’ dedication to Oatly’s operations, improve company loyalty and be beneficial to both the shareholders and Oatly.

On 18 February 2025, the Company completed a ratio change whereby the ratio of our American depositary shares (each an “**ADS**”) to ordinary shares was changed from one ADS representing one ordinary share to one ADS representing twenty ordinary shares (the “**ADS Ratio Change**”). As a result of the ADS Ratio Change, outstanding Share Awards were adjusted to reflect the new ADS to ordinary share ratio. The Company’s remuneration committee (the “**Remuneration Committee**”) has put forward this proposal to update the Board LTIP for the ADS Ratio Change, and all references to a specific number of ADSs or Share Awards in this proposal reflect the new ADS to ordinary share ratio of one ADS representing twenty ordinary shares (1:20). It should be noted that this proposal does not change the maximum USD amount that may be granted to a Board Participant each year. It should further be noted that all available 2021-B Warrants may be utilized during the coming twelve-month period.

It is therefore proposed that the general meeting resolves to approve an amendment of the Board LTIP and the transfer of 2021-B Warrants in accordance with items (a) and (b) below. The resolutions under items (a) and (b) are proposed to be conditional upon each other and for that reason it is proposed that both resolutions are passed as one resolution.

The terms and conditions of this resolution to amend the Board LTIP shall replace the terms and conditions of the resolution approved by the annual general meeting held on 15 May 2024 and shall apply to Share Awards made after the date of this resolution. In the event this resolution is not passed, the current terms and conditions of the Board LTIP will remain in force in accordance with the resolution passed by the annual general meeting held on 15 May 2024.

Item 16(a) – Proposal on amendment of the Board LTIP

It is proposed that the general meeting resolves to amend the Board LTIP. The Board LTIP was implemented, and is amended, under and pursuant to the Oatly Incentive Plan. Please refer to the section *Terms and conditions of the Oatly Incentive Plan* below.

In addition to the 52,179 Share Awards granted to members of the board of directors under the Board LTIP which have vested or remain outstanding as of the date of this resolution proposal, 17,317 Share Awards (corresponding to a total of 346,340 ordinary shares and 17,317 ADSs, if all such Share Awards are granted and vested) remain to be granted following the amendment proposed under this resolution proposal.

Below is a description of the main terms and conditions for the Share Awards following the amendment pursuant to this resolution proposal.

- The Share Awards may be granted to the Board Participants, meaning the members of the board of directors who are not employed by the Oatly group, or by Verlinvest, China Resources, Blackstone or Östersjöstiftelsen.
- Each Board Participant may each year be granted a number of Share Awards equivalent to USD 140,000, as determined by the closing price of the Company's ADS on Nasdaq Global Select Market on the last trading day immediately preceding the date of grant of the Share Award, provided however that in no event shall a Board Participant be awarded more than 7,000 Share Awards per year, and the total number of Share Awards awarded to all Board Participants, excluding Share Awards that have lapsed, been terminated or forfeited, shall in no event exceed 69,496.
- The Share Awards shall be granted free of charge to the Board Participants no later than 31 December 2026.
- The Share Awards shall vest on the date of the next annual general meeting after the date of grant, provided that the relevant Board Participant is still a board member of Oatly on such date.
- Each vested Share Award entitles the holder to receive, as determined by the board of directors, either (a) twenty ordinary shares in the Company; (b) twenty 2021-B Warrants; or (c) one ADS in the Company, without any compensation being payable (or at a price equal to the quota value of the Company's ordinary shares, times twenty), provided that the holder is still a board member of Oatly at the relevant time of vesting.
- The Share Awards may not be transferred or pledged.
- The number of ordinary shares, 2021-B Warrants or ADSs in the Company that each Share Award entitles to subscription for will be adjusted in the event of a split, reverse split, ADS ratio change, etc. in accordance with customary re-calculation terms.

Item 16(b) – Proposal transfer of 2021-B Warrants

In order to fulfill the commitments arising from the Share Awards, it is proposed that the general meeting authorizes that the Company may assign the 2021-B Warrants to a third party, or in another way dispose of the 2021-B Warrants, in accordance with the above.

Additional information

Dilution

Upon exercise of all 2021-B Warrants issued for subscription of ordinary shares, up to 1,389,933 ordinary shares (with reservation for any re-calculation) may be issued, equivalent to a maximum dilution of approximately 0.23 per cent of the ordinary shares and votes of the Company as of the date

of this proposal. Upon full exercise of all 2021-B Warrants, the Company's share capital will increase with SEK 2,084.8995. The dilution calculations have been based on the maximum number of ordinary shares and votes which may be issued upon exercise of the Share Awards, divided by the total number of ordinary shares and votes in the Company after such issues.

The amendment of the Board LTIP will not lead to any dilution in excess of the dilution that would have occurred if the Board LTIP had been fully allocated to Board Participants and exercised in accordance with its current terms.

Preparation of the proposal

This proposal has been prepared by the Remuneration Committee, together with external advisers.

The reason for the deviation from the shareholders' preferential rights

The reason for the deviation from the shareholders' preferential rights is to implement equity-based awards to certain board members.

Majority requirements

A resolution to approve the present proposal is valid only when supported by shareholders holding not less than nine-tenths (9/10) of both the shares voted for and of the shares represented at the general meeting.

Authorization

The board of directors, or a person appointed by the board of directors, is authorized to undertake such minor adjustments in the decision that may be required for the registration with the Swedish Companies Registration Office and Euroclear Sweden AB and that the board of directors shall have the right to undertake minor adjustments to this resolution due to applicable foreign rules and laws.

Terms and conditions of the Oatly Incentive Plan

The complete terms and conditions of the Oatly Incentive Plan is included in Oatly's 20-F for 2024, filed with the United States Securities Exchange Commission on 13 March 2025, available on the following link: <https://investors.oatly.com/sec-filings/sec-filing/20-f/0000950170-25-038739>