

## **The Board of Directors' proposal for resolution regarding amendment to incentive program resolved on by an extraordinary general meeting in 2022**

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The Board of Directors of Prolight Diagnostics AB (publ) corp. reg. no. 556570-9499 (the "**Company**") proposes that the annual general meeting resolve on a minor adjustment of the incentive program for employees in the Company's wholly owned subsidiary Psyros Diagnostics Ltd that was implemented by the extraordinary general meeting on 4 August 2022.

The Board of Directors proposes that the maximum allocation of employee stock options per participant within the category "Management" be increased from 1,500,000 employee stock options to 2,000,000 employee stock options and that the maximum allocation of employee stock options per participant within the category "Other valuable employees" be increased from 200,000 employee stock options to 300,000 employee stock options. Otherwise, the incentive program shall continue on unchanged terms and conditions. The purpose of the adjustment is that it is deemed to make it easier for the Company to recruit and retain employees. For the sake of order, the main terms of the incentive program, including the proposed adjustment, as resolved at the extraordinary general meeting on 4 August 2022, are outlined below.

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### **Background and motive**

The Board of Directors deems it important and in the interest of all shareholders that the employees of the group have a long-term interest in a favourable trend in the Company's share price.

Through an employee stock option-based incentive program for current and future employees in the Company's wholly owned subsidiary Psyros Diagnostics Ltd, employees' reward can be linked to the Company's future performance and value development. Long-term value growth is thus rewarded, aligning the goals of shareholders and concerned employees. Stock-related incentive programs further create a common focus for concerned employees and thereby prioritise long-term actions. Additionally, such incentive programs are deemed to facilitate the Company in recruiting and retaining employees.

Considering the terms, allocation size, and other circumstances, the Board of Directors assesses that the proposed incentive program outlined below is reasonable and beneficial for the Company and its shareholders.

The detailed contents of the employee stock option program are outlined below.

### **A. The Board of Directors' proposal for resolution regarding the implementation of an employee stock option program 2022/2029**

The Board of Directors proposes that the annual general meeting resolve to implement an employee stock option program 2022/2029 according to the guidelines below (the "**Employee Stock Option Program**"):

1. The employee stock option program shall comprise of a maximum of 8,000,000 employee stock options.
2. Each employee stock option entitles the holder to acquire one (1) new share in the Company at an exercise price equal to the closing price of the Company's share on the NGM Nordic SME on the trading day preceding the day the employee stock option is granted.
3. The exercise price and the number of shares each employee stock option entitles to may be subject to adjustment due to bonus issues, splits, preferential rights issues, and similar measures, whereby the adjustment terms in the complete terms of the warrant shall apply.
4. The Employee Stock Option Program shall include current and future employees of the Company's wholly owned subsidiary Psyros Diagnostics Ltd (excluding those employees who are also board members of the Company), and the Board of Directors of the Company shall have the right to decide on the allocation of employee stock options in accordance with the following guidelines:

Category	Number of participants in the category	Maximum allocation of employee stock options per participant
Management	3	2,000,000
Experts	5	500,000
Other valuable employees	17	300,000

5. The Board of Directors may decide on the allocation of employee stock options until the end of 2024.
6. Allocated employee stock options shall vest over a period of four years from the allocation date, in accordance with the following:
  - a) 75 percent of the employee stock options shall be deemed vested three years from the allocation date, and
  - b) additional 6,25 percent of the employee stock options shall be deemed vested every three months thereafter; thus, after four years, all employee stock options will be vested.
7. Vesting of employee stock options is conditional upon the holder being employed within the Company group. Furthermore, vested employee stock options may only be exercised if the holder remains employed within the Company group, or within a short period after the termination of employment.
8. Employee stock options may not be transferred or pledged.
9. The employee stock options shall be allocated free of charge. The participant can exercise allocated and vested employee stock options after the end of the vesting period mentioned above, but no later than five years after the allocated date.
10. Participation in the Employee Stock Option Program is conditional upon both legal eligibility for such participation and, according to the Company's assessment, can take place with reasonable administrative costs and financial efforts.
11. The employee stock options shall be governed by a separate agreement with the participant. The Board of Directors shall be responsible for the design and management of the Employee Stock Option Program within the framework of the main terms and guidelines specified above. The Board of Directors has the right, within the framework of the agreement with each participant, to make reasonable changes and adjustments to the terms of the employee stock options deemed appropriate or necessary due to local labour or tax laws or administrative conditions. This may include continuing the vesting of employee stock options in certain cases where it would not otherwise have occurred. The Board of Directors also has the right to accelerate vesting and the timing of the exercise of employee stock options in certain cases, such as in the event of a public takeover offer, certain changes in ownership in the company, liquidation, merger, and similar measures. Finally, the Board of Directors has the right to, in extraordinary circumstances, limit the scope of or terminate the Employee Stock Option Program, in whole or in part, prematurely.

#### **Costs, dilution effects and effects on relevant key figures**

As the Employee Stock Option Program is implemented in accordance with special tax rules under British law, the Company's assessment is that no costs for social security contributions or similar will arise for the Company. Therefore, the costs will mainly consist of limited expenses for the implementation and administration of the program. The incentive program is not expected to incur any significant costs for the Company. Furthermore, the options have no market value as they are non-transferable.

The proposed incentive program comprises a total of up to 8,000,000 employee stock options that can be exercised for the subscription of a total of up to 8,000,000 shares, corresponding to a dilution effect of up to approximately 2.8 percent based on the number of shares and votes in the Company after the exercise of the employee stock options. The Company's share capital may increase by up to 800,000 kronor, subject to the increase that may be caused by adjustments according to the terms of the warrants.

The dilution and costs associated with establishing and administering the incentive program are expected to have a marginal impact on the Company's key figures.

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### **Preparation of the proposal**

The proposed amendment has been prepared by the Board of Directors after obtaining input from major shareholders and independent experts and has been discussed at board meetings in early 2024.

### **Majority requirement**

A resolution in favour of the proposal requires the support of shareholders representing a minimum of nine tenths of the votes cast and nine tenths of the shares represented at the annual general meeting.

### **Outstanding and previous share-related incentive programs**

The Company resolved at an extraordinary general meeting on 4 August 2022 to establish a number of incentive programs for board members and senior executives in the Company as well as employees in the Company's subsidiary Psyros Diagnostics Ltd.

The program for board member Maria Holmlund comprises a total of 500,000 warrants, of which all warrants are outstanding and held by Maria Holmlund. Each warrant gives the holder the right to subscribe for one (1) new share in the Company during the period from 1 September 2025 to 30 November 2025 at a subscription price corresponding to SEK 1.

The program for the senior executives Ulf Bladin (managing director) and Tobias Volker (subsidiary executive) comprises a total of 2,000,000 warrants, of which all warrants are outstanding and held by the participants in the program. Each warrant gives the holder the right to subscribe for one (1) new share in the Company during the period from 1 September 2025 to 30 November 2025 at a subscription price corresponding to SEK 1.

The program for employees in the Company's wholly owned subsidiary Psyros Diagnostics Ltd includes a maximum of 8,000,000 employee stock options, of which 5,370,000 are outstanding and held by participants in the incentive program. Each employee stock option entitles the holder to acquire one (1) new share in the Company at an exercise price corresponding to the closing price of the Company's share on the NGM Nordic SME on the trading day preceding the day the employee stock option was allocated to the respective participant. Allocated employee stock options vest over a period of four years from the date of allocation and in accordance with the following: a) 75 percent of the employee stock options shall be considered vested three years from the date of allocation, and b) an additional 6.25 percent of the employee stock options shall be deemed vested every three months thereafter, i.e. after four years, all employee options will be vested.

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Lund, April 2024

**Prolight Diagnostics AB (publ)**

*The Board of Directors*