

## **The Board of Directors' proposal for resolution regarding an incentive program in the form of employee stock options for employees, including a directed issue and transfer of warrants**

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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 long-term incentive program for employees in the Company's wholly owned subsidiary Psyros Diagnostics Ltd, by issuing employee stock options, including a directed issue of warrants.

### **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. To ensure the Company's commitments under the employee stock option program, the Board of Directors also proposes that the annual general meeting resolve on a directed issue of warrants and approve the transfer of warrants in accordance with the details provided under Section B below.

### **A. The Board of Directors' proposal for resolution regarding the implementation of an employee stock option program 2024/2031**

The Board of Directors proposes that the annual general meeting resolve to implement an employee stock option program 2024/2031 according to the guidelines below (the "**Employee Stock Option Program**"):

1. The employee stock option program shall comprise of a maximum of 2,000,000 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	4	2,000,000
Experts	7	500,000
Other valuable employees	10	300,000

5. The Board of Directors may decide on the allocation of employee stock options until the end of 2026.
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.

**B. The Boards of Directors' proposal for a resolution on the issue of warrants with deviation from the shareholders' pre-emptive rights.**

To ensure the Company's delivery of shares under the Employee Stock Option Program, the Board of Directors proposes that the annual general meeting resolve on a directed issue of a maximum of 2,000,000 warrants and approve the transfer of warrants as follows:

1. The right to subscribe for new warrants shall, with deviation from the shareholders' pre-emptive rights, belong to the Company.

2. The reason for deviating from the shareholders' pre-emptive rights is stated under the heading "Background and motive" above and constitutes part of the implementation of the Employee Stock Option Program.
3. Subscription for the warrants shall be made by subscribing to a subscription list no later than within one week from the resolution on the issue. The Board of Directors shall have the right to extend the subscription period.
4. All warrants are to be issued free of any consideration.
5. The Company shall have the right to transfer warrants to participants in the Employee Stock Option Program without consideration in connection with the exercise of employee stock options in accordance with the terms under A or otherwise dispose of the warrants to ensure the Company's commitments in relation to the Employee Stock Option Program, such transfer being approved by the annual general meeting through the resolution. The Board of Directors shall not have the right to dispose of the warrants for any purpose other than to ensure the Company's commitments in relation to the Employee Stock Option Program.
6. If all warrants are exercised for the subscription of shares, the Company's registered share capital will increase by up to SEK 200,000.
7. Each warrant shall entitle the holder to subscribe for one new share in the Company at a subscription price equivalent to SEK 0,1, which corresponds to the quotient value of the Company's shares. The subscription price may not be lower than the quotient value of the Company's shares.
8. The part of the subscription price for a share subscribed for based on a warrant that exceeds the quota value of the previous shares shall be included under the free share premium reserve.
9. Subscription of shares upon exercise of the warrants shall be made in accordance with the terms and conditions for the warrants during the period from the day of registration of the warrants with the Swedish Companies Registration Office and until 31 March 2032.
10. A share that has been issued pursuant to exercise of a warrant entitles to dividends for the first time on the first record date for dividend that take place after the subscription of new shares has been registered with the Swedish Companies Registration Office and been recorded in the share register kept by Euroclear Sweden AB.
11. Further, the warrants are covered by the terms and conditions in [Appendix A](#).
12. The managing director, or the person appointed by the Board of Directors, shall have the right to make minor adjustments as may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

### **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 2,000,000 employee stock options that can be exercised for the subscription of a total of up to 2,000,000 shares, corresponding to a dilution effect of up to approximately 0.4 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 200,000 kronor, subject to the increase that may be caused by adjustments according to the terms of the warrants.

The proposed incentive program, together with other outstanding incentive programs comprises a total of up to 12,500,000 employee stock options/warrants that can be exercised for the subscription of a total of up to 12,500,000 shares, corresponding to a dilution effect of up to approximately 2.4 percent based on the number of shares and votes in the Company after the exercise of the warrants. The Company's share capital may increase by up to 1,250,000 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.

### **Preparation of the proposal**

The proposal 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*

**TERMS AND CONDITIONS FOR  
PROLIGHT DIAGNOSTICS AB'S WARRANTS 2024/2031**

**1. DEFINITIONS**

As used in these terms and conditions, the following terms shall have the meanings set forth below:

**“Banking Day”** a day, which is not a Sunday, or other public holiday in Sweden;

**“Company”** Prolight Diagnostics AB (publ), corp. reg. no. 556570-9499;

**“Account-Holding Institution”** the bank or account-holding institution, which at any time, the Company has appointed to administer the Warrants pursuant to these terms and conditions.

**“Market Listing”** regards the listing of the Company's share on a stock exchange or authorised market in the European Economic Area (EEA);

**“Holder”** the holder of the Warrant;

**“Warrant”** the right to subscribe for shares in the Company against a consideration in accordance with these terms;

**“Subscription”** Subscription for new shares in the Company with Warrants as regulated by Chapter 14 of the Swedish Companies Act (2005:551);

**“Subscription Price”** the price per share at which Subscription for new shares is executed; and

**“Euroclear”** Euroclear Sweden AB.

**2. WARRANTS**

The number of Warrants amounts to 2,000,000.

**3. CSD REGISTER AND ACCOUNT-HOLDING INSTITUTION**

If the Company is a central securities depository (CSD) company and the Company chooses to enter the Warrants in the VPC system, Euroclear will register the Warrants in a CSD register under the Financial Instruments Accounts Act (1998:1479), and no Warrant certificates will be issued. The Warrants will be registered on behalf of the Holder in an account in the Company's CSD register.

Where applicable, the Company undertakes to appoint an Account-Holding Institution before the day the Company becomes a CSD Company, to be responsible for registration in the CSD account register as a result of measures under the paragraph above and points 4, 7 and 8 below. Registrations concerning Warrants resulting from measures under points 4 and 8 will be carried out by the Account-Holding Institution. Other registrations regarding the account may be made either by the Account-Holding Institution or another account-holding institution.

**4. SUBSCRIPTION FOR NEW SHARES**

For each Warrant, the Holder is entitled, during the period from the date of registration of the Warrants with the Swedish Corporate Registration Office to 31 March 2032, or an

earlier date in accordance with Section 8 below, to subscribe for one new share in the Company at a Subscription Price amounting to SEK 0,10, which corresponds to the quotient value of the Company's shares. The Subscription Price is not permitted to be lower than the quotient value of the Company's shares.

Adjustment of the Subscription Price and of the number of new shares that each Warrant entitles the Holder to subscribe for may take place under those circumstances set forth in Point 8 below. The Subscription Price is never permitted to be lower than the quotient value of the Company's shares. Subscription may only be made for the whole number of shares to which the total number of Warrants is entitled and that one and the same Holder wants to use at the same time.

Subscription is not permitted in the event of any dispute in respect of redemption in accordance with Chapter 22, Section 26, Paragraph 2 of the Swedish Companies Act (2005:551) until resolution of the dispute has been established by a judgment or court ruling entering into force. However, if the subscription period under the first paragraph above expires before or less than three (3) months following the above, the Holder has the right to exercise the Warrant during the three-month period following the ruling entering force.

## **5. APPLICATION FOR SUBSCRIPTION**

Application for Subscription is performed by the Holder submitting written notice to the Company, for forwarding to the Account-Holding Institution, of the Holder's intent to subscribe, including the number of shares the Holder wishes to subscribe for. Application for Subscription is binding and may not be revoked.

In the event application for Subscription is not made within the time set forth in the first paragraph of Point 4, all rights pertaining to the Warrants expire.

When Subscription has been executed, new shares are recorded provisionally in the Holder's securities account and the Company's shareholders' register. Once registration has been performed with the Swedish Companies Registration Office, registration of the new shares in the shareholders' register and securities account becomes final.

## **6. PAYMENT**

On application for Subscription, payment must be executed in full for the subscribed shares. Payment is to the account designated by the Company.

## **7. DIVIDENDS IN RESPECT OF NEW SHARES**

New shares that are issued as a result of the Warrants being exercised are entitled to receive dividends on the first record date for dividends that occurs subsequent to the completion of the Subscription process.

## **8. ADJUSTMENT OF SUBSCRIPTION PRICE, ETC.**

The following applies in respect of the rights vested in Holders in the circumstances listed below.

### **8.1 Bonus issue**

In the event the Company carries out a bonus issue of shares, Subscription is effected — when an application for Subscription is made at such time that it cannot be effected on or before the tenth calendar day prior to the general meeting of shareholders that resolves to carry out the share issue — after a resolution has been adopted by the shareholders' meeting in respect thereof. Shares which are issued as a result of Subscriptions effected after adoption of a resolution to carry out the share issue are recorded on an interim basis in the CSD account, which means that they are not entitled

to participate in the issue. Final registration in the CSD account takes place after the record date for the bonus issue.

In connection with Subscriptions that are effected after the adoption of a resolution to carry out a bonus issue, an adjusted Subscription Price and an adjusted number of shares that each Warrant entitles the Holder to subscribe for is applied. The adjustments are made by the Company in accordance with the following formulas:

$$\text{Adjusted Subscription Price} = \frac{\text{Previous Subscription Price} \times \text{number of shares prior to the bonus issue}}{\text{Number of shares subsequent to the bonus issue}}$$

$$\text{Adjusted number of shares that each Warrant entitles the Holder to subscribe for} = \frac{\text{Previous number of shares that each Warrant entitles the Holder to subscribe for} \times \text{the number of shares after the bonus issue}}{\text{Number of shares prior to the bonus issue}}$$

Following the above adjustments, the Subscription Price and number of shares for which each Warrant entitles the Holder to subscribe is determined by the Company immediately after a general meeting passes a resolution on a bonus issue and is applied first after the record date for the bonus issue.

## 8.2 Consolidation or share split

In the event the Company executes a consolidation or a share split, Point 8.1 above applies correspondingly, whereupon the record date is deemed the day on which the consolidation or share split is effected at Euroclear at the Company's request.

## 8.3 New issue

In the event the Company carries out a new issue of shares, subject to the pre-emptive rights for shareholders to subscribe for new shares in exchange for cash payment, or payment through set-off of claims against the Company, the following applies with respect to the right to participate in the issue for shares that were issued as a consequence of Subscription pursuant to the exercise of a Warrant:

1. In the event the Board of Directors resolves to carry out a share issue subject to approval of the general meeting or pursuant to authorisation of the general meeting, the resolution of the share issue must set forth the last date on which shares issued pursuant to Subscription with a Warrant entitle the Holders to participate in the share issue. This date is not permitted to occur earlier than the tenth calendar day after the resolution.
2. In the event the general meeting of shareholders resolves to carry out the share issue, Subscription is effected, where application for Subscription is made at such time that it cannot be effected on or before the tenth calendar day prior to the general meeting of shareholders that resolves to carry out the share issue, after adjustment by the Company in accordance with this Point 8.3. Shares which are issued based upon such Subscriptions are recorded on an interim basis in the CSD account which means that such shares are not entitled to participate in the issue.

In connection with Subscriptions which are effected at such time that no right to participate in the issue of new shares arises, an adjusted Subscription Price and an adjusted number of shares that each Warrant entitles the Holder to subscribe for is

applied. The adjustments are made by the Company in accordance with the following formulas:

$$\text{Adjusted Subscription Price} = \frac{\text{Previous Subscription Price} \times \text{average market price of the share during the subscription period set forth in the resolution approving the issue (average share price)}}{\text{Average share price increased by the theoretical value of the subscription right calculated on the basis thereof}}$$

$$\text{Adjusted number of shares that each Warrant entitles the Holder to subscribe for} = \frac{\text{Previous number of shares which each Warrant entitles the Holder to subscribe for} \times (\text{average share price increased by the theoretical value of the subscription right calculated on the basis thereof})}{\text{Average share price}}$$

The average share price is equivalent to the average of the mean of the highest and lowest prices paid for the share for each trading day during the subscription period if the share has a Market Listing. If neither a price paid nor a bid price is quoted on a given day, that day is excluded from the calculation.

The theoretical value of the subscription right is calculated in accordance with the following formula:

$$\text{Value of the subscription right} = \frac{\text{Maximum number of new shares that may be issued according to the resolution approving the issue} \times (\text{average share price reduced by the Subscription Price for the new share})}{\text{Number of shares prior to the resolution approving the issue}}$$

In the event a negative value is arrived at, the theoretical value of the subscription right is deemed to be zero.

The adjusted Subscription Price and adjusted number of shares set forth is determined by the Company two Banking Days following the expiration of the subscription period and is applied to Subscriptions executed thereafter.

If the Company's shares do not have a Market Listing, the adjusted Subscription Price and adjusted number of shares is determined in accordance with the principles specified in this point by an independent valuer appointed by the Company.

During the period prior to the determination of the adjusted Subscription Price and the adjusted number of shares, Subscription is only effected on a preliminary basis, whereupon the number of shares that each Warrant entitles the Holder to subscribe for prior to adjustment is recorded in the CSD account on an interim basis. In addition, a separate note is made that each Warrant, after adjustment, may entitle the Holder to subscribe for additional shares. Final registration in the CSD account is effected following final adjustment.

#### 8.4 **New Issue in accordance with the Swedish Companies Act, chapters 14 or 15**

In the event the Company carries out a new issue in accordance with the Swedish Companies Act, chapters 14 or 15 that is subject to pre-emptive rights for shareholders



and for payment in cash or for payment through set-off of claims against the Company, the provisions contained in Point 8.3, in respect of the right to participate in new share issues as a result of Subscription pursuant to the exercise of a Warrant, are to apply correspondingly.

In connection with Subscriptions for shares effected at such time that no right to participate in the share issue arises, an adjusted Subscription Price and an adjusted number of shares that each Warrant entitles the Holder to subscribe for is applied. The adjustments are made by the Company in accordance with the following formulas:

$$\begin{array}{l}
 \text{Adjusted Subscription Price} = \frac{\text{Previous Subscription Price} \times \text{average market price of the share during the subscription period set forth in the resolution approving the issue (average share price)}}{\text{Average share price increased by the value of the subscription right}} \\
 \\
 \text{Adjusted number of shares that each Warrant entitles the Holder to subscribe for} = \frac{\text{Previous number of shares which each Warrant entitled the Holder to subscribe for} \times (\text{average share price increased by the theoretical value of the subscription right})}{\text{Average share price}}
 \end{array}$$

The average share price is calculated as specified in Point 8.3 above.

The value of a subscription right is equivalent to the average of the mean of the highest and lowest prices paid for the share for each trading day during the subscription period if the subscription right has a Market Listing. In the absence of a quotation of price paid, the last bid price quoted as the closing price for such date is used in the calculation. Days on which no price paid or bid price is recorded should not be included in the calculation.

The adjusted Subscription Price and adjusted number of shares set forth above is determined by the Company two Banking Days following expiration of the subscription period and is applied to Subscriptions executed thereafter.

If the Company's shares do not have a Market Listing, the adjusted Subscription Price and adjusted number of shares is determined in accordance with the principles specified in this point by an independent valuer appointed by the Company.

Where Subscriptions are executed during the period prior to determination of the adjusted Subscription Price and adjusted number of shares, the provisions set forth in Point 8.3 above, apply correspondingly.

## 8.5 Offer to shareholders

In the event the Company, under other circumstances than those set forth in points 8.1–8.4 above, directs an offer to shareholders based on pre-emptive rights in accordance with the principles set forth in the Swedish Companies Act, Chapter 13, Section 1, to purchase securities or rights of any sort from the Company, or where the Company resolves, in accordance with the aforementioned provisions, to distribute such securities or rights without consideration (Offer), an adjusted Subscription Price and an adjusted number of shares that each Warrant entitles the Holder to subscribe for is applied in connection with Subscriptions effected at such time that the shares subscribed as a consequence thereof do not entitle the Holder to participate in the Offer. Adjustment is

carried out by the Company in accordance with the following formulas:

$$\begin{aligned} \text{Adjusted Subscription Price} &= \frac{\text{Previous Subscription Price} \times \text{average market price of the share during the application period specified in the offer (average share price)}}{\text{Average share price increased by the value of the right to participation in the Offer (value of the right to purchase)}} \\ \text{Adjusted number of shares that each Warrant entitles the Holder to subscribe for} &= \frac{\text{Previous number of shares which each Warrant entitled the Holder to subscribe for} \times (\text{average share price increased by the value of the purchase right})}{\text{Average share price}} \end{aligned}$$

The average share price is calculated as specified in Point 8.3 above.

In the event shareholders have received purchase rights and trading of such rights has taken place, the value of the right to participate in the Offer is deemed to be equal to the value of the purchase right. The value of a purchase right is equivalent to the average of the mean of the highest and lowest prices paid for each trading day during the application period if the purchase right has a Market Listing. In the absence of a quotation of price paid, the last bid price quoted as the closing price for such date is used in the calculation. Days on which no price paid or bid price is recorded should not be included in the calculation.

In the event shareholders have not received purchase rights or such trading in purchase rights as referred to in the preceding paragraph has otherwise not taken place, an adjustment of the Subscription Price and the number of shares is calculated with application, to the extent possible, of the principles set forth above in this Point 8.5, whereupon the following shall apply. Where a listing is carried out in respect of the securities or rights that are offered to the shareholders, the value of the right to participate in the Offer is deemed to be the average of the prices paid on each trading day for a period of 25 trading days from and including the first day of listing calculated as the average of the mean of the highest and lowest prices paid in these securities or rights on the market, where applicable, reduced by any consideration that has been paid for these in connection with the Offer. In the absence of a quotation of price paid, the last bid price quoted as the closing price for such date is used in the calculation. Days on which no price paid or bid price is recorded should not be included in the calculation. When adjustment of the Subscription Price and number of shares is made according to this paragraph, the aforementioned period of 25 trading days is deemed to correspond to the Offer's application period determined according to the first paragraph above in this Point 8.5.

In the event such listing of the securities and rights offered to the shareholders should not occur, the value of the right to participate in the Offer is, as far as possible, determined based upon the change in the market price of the Company's shares that is deemed to have arisen as a consequence of the Offer.

The adjusted Subscription Price and adjusted number of shares in accordance with the above is determined by the Company as soon as possible after the value of the right to participate in the Offer has been determined and is applied to Subscriptions effected after such determination has been made.

If the Company's shares do not have a Market Listing, the adjusted Subscription Price and adjusted number of shares is determined in accordance with the principles specified in this point by an independent valuer appointed by the Company.

For Subscription effected during the period prior to determination of the adjusted Subscription Price and adjusted number of shares, the provisions in Point 8.3 last paragraph above apply correspondingly.

**8.6 Pre-emptive rights for Holders in respect of new share issues according to the Swedish Companies Act, Chapter 13 or share issues according to the Swedish Companies Act, chapters 14 or 15**

In the event the Company carries out a new share issue with pre-emptive rights for shareholders against a cash consideration or through set-off claims against the Company according to the Swedish Companies Act, Chapter 13 or a share issue according to the Swedish Companies Act, chapters 14 or 15, the Company is entitled to grant all Holders the same pre-emptive rights that vest to the shareholders according to the resolution. In this connection, each Holder, irrespective of whether Subscription has been effected, is deemed the owner of the number of shares that the Holder would have received, if Subscription had been effected at the Subscription Price applicable at the time of the resolution to carry out the share issue.

In the event the Company resolves to direct an Offer to the shareholders such as specified in Point 8.5 above, the provisions of the preceding paragraph apply correspondingly. However, in such circumstances, the number of shares of which each Holder is deemed to be the owner of is determined at the Subscription Price applicable at the time of the resolution to carry out the share issue.

In the event the Company resolves to grant the Holders pre-emptive rights in accordance with the provisions set forth in this Point 8.6, no adjustment is made, as set out in points 8.3, 8.4 or 8.5 above, of the Subscription Price and the number of shares that accrue to each Warrant.

**8.7 Cash dividend**

In the event it is decided to pay a cash dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding 5 % of the average share price during a period of 25 trading days immediately preceding the day on which the Company's Board of Directors announces its intention to propose that the general meeting of shareholders approve such a dividend, an adjusted Subscription Price and an adjusted number of shares that each Warrant entitles the Holder to subscribe for is applied for Subscriptions requested at such time where the shares received in such event do not carry rights to receive such a dividend. The adjustments are based upon such part of the total dividend that exceeds 5 % of the average price of the shares during the above period (extraordinary dividend).

The adjustments are made by the Company in accordance with the following formulas:

$$\text{Adjusted Subscription Price} = \frac{\text{Previous Subscription Price} \times \text{the average market price of the share during a period of 25 trading days calculated from and including the day the share is listed ex-rights to the extraordinary dividend (average share price)}}{\text{Average share price increased by the extraordinary dividend paid per share}}$$
$$\text{Previous number of shares which each Warrant entitled the Holder to subscribe for} \times \text{the average}$$

$$\text{Adjusted number of shares that each Warrant entitles the Holder to subscribe for} = \frac{\text{share price increased by the extraordinary dividend paid per share}}{\text{Average share price}}$$

The average share price is deemed to correspond to the average of the mean of the highest and lowest prices paid each trading day during the respective period of 25 trading days if the share has a Market Listing. In the absence of a quotation of price paid, the last bid price quoted as the closing price for such date is used in the calculation. Days on which no price paid or bid price is recorded should not be included in the calculation.

The adjusted Subscription Price and adjusted number of shares set forth above is determined by the Company two Banking Days after the expiration of such period of 25 trading days calculated from the date on which the shares are listed ex-rights to the extraordinary dividend and applies to Subscriptions effected after such time.

In the event the Company's shares do not have a Market Listing and a cash dividend to shareholders is resolved such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding 100% of the Company's profit after tax for that fiscal year and 15% of the Company's value, an adjusted Subscription Price and an adjusted number of shares that each Warrant entitles the Holder to subscribe for is applied for Subscriptions requested at such time that the shares received in such event do not carry rights to receive such dividend. The adjustments are based upon such part of the total dividend that exceeds 100% of the Company's profit after tax for the fiscal year and 15% of the Company's value and is determined in accordance with the principles specified in this point in respect of an independent valuer appointed by the Company.

Where Subscriptions are executed during the period prior to determination of the adjusted Subscription Price and adjusted number of shares, the provisions set forth in Point 8.3, last paragraph above, apply correspondingly.

#### 8.8 Reduction in share capital through repayment to shareholders

In the event the Company's share capital is reduced through repayment to shareholders, and the reduction is compulsory, an adjusted Subscription Price and an adjusted number of shares that each Warrant entitles the Holder to subscribe for is applied. The adjustments are made by the Company in accordance with the following formulas:

$$\text{Adjusted Subscription Price} = \frac{\text{Previous Subscription Price} \times \text{average market price of the shares during a period of 25 trading days calculated from and including the day on which the share was listed without any right to participate in the repayment (average share price)}}{\text{Average share price increased by the amount repaid for each share}}$$

$$\text{Adjusted number of shares that each Warrant entitles the Holder to subscribe for} = \frac{\text{Previous number of shares which each Warrant entitled the Holder to subscribe for} \times \text{average share price increased by the amount repaid for each share}}{\text{Average share price}}$$

The average share price is calculated in accordance with the provisions set forth in Point 8.3 above.

In carrying out the above adjustments, whereby the reduction is carried out through a redemption of shares, instead of using the actual amount which is repaid for each share, an amount calculated as follows is applied:

$$\text{Calculated amount per share} = \frac{\text{The actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (average share price)}}{\text{The number of shares of the Company that entitles to the redemption of one share, reduced by 1}}$$

The average share price is calculated in accordance with the provisions set forth in Point 8.3 above.

The adjusted Subscription Price and adjusted number of shares pursuant to the above is determined by the Company two (2) Banking Days after the expiration of the above-stated period of 25 trading days, and applies to Subscriptions effected after such time.

For Subscription effected during the period prior to determination of the adjusted Subscription Price and adjusted number of shares, the provisions in Point 8.3 last paragraph above apply correspondingly.

In the event the Company's share capital is reduced through redemption of shares with repayment to the shareholders, in which such reduction is not compulsory, but where, in the Company's opinion, the reduction, given its technical structure and financial effects, is equivalent to a compulsory reduction, the adjustments of the Subscription Price and the number of shares are performed in accordance with, to the extent possible, the principles stated above in this Point 8.8.

If the Company's shares do not have a Market Listing, the adjusted Subscription Price and adjusted number of shares is determined in accordance with the principles specified in this point by an independent valuer appointed by the Company.

In the event the Company carries out measures set forth in Points 8.1–8.5, 8.8 or 8.9 and if the application of the intended adjustment formula, in the Company's opinion, with regard to the measure's technical structure or for another reason, may not be possible or result in the economic compensation received by Holders becoming unreasonable in relation to the shareholders, the Board of Directors of the Company makes the adjustments of the Subscription Price and the number of shares for the purpose of the adjustments leading to a reasonable result, however, such adjustment is not permitted to be detrimental for Holders. In conjunction with adjustments in accordance with the above, the Subscription Price is rounded off to the nearest SEK 0.01, whereupon SEK 0.005 is rounded up and the number of shares rounded off to two decimal places.

## 8.9 Liquidation

In the event it is resolved to place the Company in liquidation according to the Swedish Companies Act, Chapter 25, regardless of the grounds for liquidation, applications for Subscription may not thereafter be made. The right to make applications for Subscription terminates in conjunction with the resolution to place the Company in liquidation regardless of whether such resolution has entered into legal force.

Not later than two months prior to a resolution by the general meeting of shareholders as

to whether the Company should be placed into voluntary liquidation according to the Swedish Companies Act, Chapter 25, Section 1, notice is given to Holders in accordance with Point 9 below in respect of the intended liquidation. The notice must state that applications for Subscription may not be made following the adoption of a resolution by the general meeting of shareholders to place the Company in liquidation.

In the event the Company gives notice of an intended liquidation in accordance with the above, each Holder — irrespective of what is set forth in Point 4 above regarding the earliest time at which applications for Subscription may be made — is entitled to apply for Subscription from the day on which notice is given, provided it is possible to effect Subscription not later than the tenth calendar day prior to the general meeting of shareholders at which the issue of the Company's liquidation will be addressed.

8.10 **Merger plans in accordance with the Swedish Companies Act, Chapter 23, Section 15**

In the event the general meeting of shareholders adopts a merger plan, in accordance with the Swedish Companies Act, Chapter 23, Section 15, pursuant to which the Company is to be merged into another company, applications for Subscription may not thereafter be made.

Not later than two months prior to a final determination by the Company in respect of the merger as set forth above, notice is given to Holders in accordance with Point 9 below in respect of the intended merger. The notice must set forth the principal contents of the intended merger plan and each Holder must be notified that Subscription may not be made following a final decision regarding the merger in accordance with the provisions set forth in the preceding paragraph.

In the event the Company gives notice of an intended merger in accordance with the above, each Holder — irrespective of what is set forth in Point 4 above regarding the earliest time at which applications for Subscription may be made — is entitled to apply for Subscription from the day on which notice is given of the intended merger, provided it is possible to effect Subscription not later than the tenth calendar day prior to the general meeting of shareholders at which the issue of the intended merger through which the Company is to be merged into another company will be approved.

8.11 **Merger plans in accordance with the Swedish Companies Act, Chapter 23, Section 28**

In the event the Company's Board of Directors prepares a merger plan in accordance with the Swedish Companies Act, Chapter 23, Section 28, through which the Company merges into another company or if the Company's shares become subject to compulsory redemption pursuant to Chapter 22, the following applies.

Where a Swedish company owns all shares outstanding in the Company, and where the Board of Directors publishes its intention to prepare a merger plan in accordance with the legislation referred to in the preceding paragraph, the Company must, provided that the final day for application for Subscription pursuant to Point 4 above occurs after such publication, determine a new final day for application for Subscription (Expiration Date). The Expiration Date must fall within 60 days of the date such an intention transpired, or, if publication of such an intent has been performed, the date of its publication.

If one shareholder (the Majority Shareholder) alone or together with subsidiaries owns shares representing such a large proportion of the shares outstanding in the Company that the Majority Shareholder, in accordance with applicable legislation at the time, holds the right to demand the compulsory redemption of the remaining shares, and if the Majority Shareholder should publish this intent regarding compulsory redemption, the provisions stated in the preceding paragraph regarding Expiration Date apply.

Subsequent to the determination of the Expiration Date, the Holders, irrespective of what is set forth in Point 4 above regarding the earliest time at which applications for Subscription may be made, are entitled to apply for Subscription up to and including the Expiration Date. Not later than four weeks prior to the Expiration Date, the Company must notify the Holders in writing in respect of such right and that applications for Subscription may not be made after the Expiration Date.

**8.12 Division plan pursuant to the Swedish Companies Act Chapter 24, Section 17**

Where the general meeting adopts a resolution to approve a division plan pursuant to the Swedish Companies Act Chapter 24, Section 17, by which the Company will be divided through all the assets and liabilities of the Company being taken over by one or more other companies, applications for Subscription may not be made thereafter.

Not later than two months prior to a final determination by the Company in respect of the division plan as set forth above, notice is given in writing to Holders in respect of the intended division. The notice must set forth the principal contents of the intended division plan and each Holder must be notified that Subscription may not be made following a final decision regarding the division or adoption of the division plan by the shareholders.

In the event the Company gives notice of an intended division in accordance with the above, each Holder — irrespective of what is set forth in Point 4 above regarding the earliest time at which applications for Subscription may be made — is entitled to apply for Subscription from the day on which notice is given of the intended division, provided it is possible to effect Subscription not later than the tenth calendar day prior to the general meeting of shareholders at which the issue of the intended division will be addressed or the day on which shareholders adopt the division plan.

8.13 Notwithstanding the provisions set forth in Points 8.9–8.12 above that applications for Subscription may not be made following the adoption of a resolution to place the Company in liquidation, the approval of a merger plan, or the expiry of a new expiration date in conjunction with a merger or the adoption of a division plan, the right of application for Subscription is reinstated in the event that liquidation plans are terminated, and merger or division plans not implemented.

**8.14 Bankruptcy**

In the event the Company enters into insolvent liquidation, applications for Subscription may not thereafter be made. In the event, however, the decision to place the Company in insolvent liquidation is revoked by a court of higher instance, applications for Subscription may be made.

**9. SEPARATE UNDERTAKING BY THE COMPANY**

The Company undertakes not to take any measures set forth in Point 8 above that would result in an adjustment of the Subscription Price to an amount less than the prevailing quotient value of the share at any given time.

**10. NOTICES**

Notices regarding the terms and conditions of these Warrants will be provided to each registered Holder and other holders of rights that are registered in an account in the Company's CSD register.

**11. AMENDMENTS OF TERMS AND CONDITIONS**

The Company is entitled to amend the terms and conditions of these Warrants to the extent it is required by legislation, court decisions or decisions of authorities, or if there under other circumstances — according to the Company's opinion — are practical reasons that are appropriate or necessary and the Holders' rights are not materially deteriorated.

## 12. CONFIDENTIALITY

Unless so authorised, the Company and Euroclear may not provide information on Holders to third parties.

The Company is entitled to the following information from Euroclear about the Holder's account in the CSD register of the Company:

- (a) the Holder's name, personal identity number or other identity number and address, and
- (b) the number of Warrants.

## 13. FORCE MAJEURE

With respect to the actions incumbent on the Company and/or Euroclear under these conditions, the Company and/or Euroclear is not deemed liable for loss due to Swedish or foreign legal decrees, the actions of Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The reservations with respect to strikes, blockades, boycotts and lockouts apply even if the Company itself undertakes, or is the object of, such actions.

The Company and/or Euroclear is not obligated to provide compensation for loss arising in other situations if the Company has exercised normal prudence. The Company and/or Euroclear is not in any case liable for indirect damages.

In the event the Company and/or Euroclear is hindered from taking action in accordance with these conditions by circumstances such as those described in the first paragraph of this Point 13, such action may be deferred until the hindrance has ceased to exist.

## 14. GOVERNING LAW AND ARBITRATION

These terms and conditions and any related legal matters are governed by Swedish law. Any disputes relating to the terms and conditions will be determined in the first instance in the Malmö City Court (Sw: *Malmö tingsrätt*) or in such other court whose competence the Company has accepted in writing.

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