

## **The Board of Directors' proposal for resolution regarding the incentive program, comprising a private placement and assignment of warrants**

The Board of Directors of Byggmax Group AB (publ), corp. reg. nr 556656-3531 (the “**Company**”) proposes that the Annual General Meeting resolve on a long-term incentive program as follows, comprising the private placement of a new issue of warrants and the assignment of warrants.

### **Background and motive**

The Board of Directors deems it important and in the interest of all shareholders that the employees of the Byggmax Group have a long-term interest in a favorable trend in the Company’s share price. The Company has previously adopted warrants-based incentive programs at the 2019 and 2021 Annual General Meetings. Both of these programs are still outstanding (for additional information see the heading “Outstanding and previous share-related incentive programs” below).

A warrants-based incentive program for the Byggmax Group’s employees enables the reward of employees to be linked to the Company’s future earnings and value trends. Long-term growth in value is thereby prioritized and the goals of shareholders and the employees concerned coincide. In addition, share-related incentive programs create a Group-wide focus for these employees and thus prioritize actions for the long-term. The incentive program is also assessed as facilitating the recruitment and retention of key employees by the Company. The Board of Directors therefore assesses, based on the design of the incentive program, that there is no need to establish any predetermined and measurable performance criteria for participation in the program.

In light of the terms and conditions, the size of the allocation and other circumstances, the Board of Directors is of the opinion that the proposed incentive program, in accordance with the following, is both reasonable and advantageous for the Company and its shareholders.

### **Allotment and general terms and conditions for the warrants**

A maximum issue of 640,000 warrants is proposed. The warrants are intended to be offered to employees at market rates in even lots of 1,000 warrants. Participants in the incentive program are divided into two categories. The Board of Directors of the Company should be empowered to decide on allocation of the warrants in accordance with the following guidelines:

<b>Category</b>	<b>No. of participants in the category</b>	<b>Guaranteed allocation of warrants per participant</b>
Managing Director	1	200,000
Other management	11	40,000
<b>Total</b>	<b>12</b>	<b>640,000</b>

All warrants are to be issued free of any consideration to Byggmax AB (corp. reg. no. 556645-6215) (the “**Subsidiary**”), a wholly-owned subsidiary of the Company, to later, in turn, be assigned to the participants in the incentive program. In this connection, the price

per warrant should therefore correspond to the warrant's market value estimated through application of the customary valuation model (the Black-Scholes model) based on the share price of the listed share and other market conditions prevailing on the date of assignment.

Each warrant entitles the holder, during the period from June 14, 2027 to December 13, 2027, to subscribe for one (1) new share in the Company at a subscription price amounting to 125 per cent of the volume-weighted average price paid for the Company's share on Nasdaq Stockholm during the period from May 10, 2022 to May 23, 2022. A day without a listing of either the payment price or the purchase price shall not be included in the calculation. The subscription price arrived at through this calculation should be rounded off to the nearest whole ten öre, whereby four (4) öre should be rounded down and five (5) öre and above rounded up. The subscription price is not permitted to be lower than the quotient value of the Company's shares.

The calculation of the market value and calculation of the subscription price for subscription for new shares in the Company shall be performed by People & Corporate Performance, or, if this is not possible, another independent rating agency.

The subscription price and number of shares that every warrant entitles the holder to subscribe for is recalculated in the event of a split, a reverse split, new share issues, etcetera in accordance with customary conversion rules. Furthermore, in accordance with customary terms, warrants should be possible to exercise prematurely in the event of a compulsory redemption of shares, liquidation or merger whereby the Company is absorbed into another company.

A prerequisite for the allocation of warrants is that the participant signs a pre-emption agreement with the Subsidiary.

The detailed terms of the warrant issue are stated in [Appendix A](#).

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

It is proposed that the participants' acquisition of warrants is subsidized by the Byggmax Group through the participants receiving a cash bonus that, after individual tax, correspond to not more than 50 percent of the price of the warrants acquired by the respective participants. This bonus will be paid out with 1/5 annually starting one year after subscription, and with the last payment five years after subscription and requires that before each payment the respective participant is still an employee of the Byggmax Group and still holds the acquired warrants or, where applicable, the shares subscribed through exercising the warrants.

Based on a price for the Company's share of SEK 67.45, a subscription price of approximately SEK 84.30 per share, a risk-free interest rate of approximately 1.14 percent and a volatility of 30 percent, the value per warrant has been estimated at SEK 5.28, which gives a value for all warrants of approximately SEK 3.4 million.

Calculated on the basis of the above-mentioned estimated warrant value, the incentive program is expected to incur costs of a maximum of approximately SEK 3.5, of which SEK 2.7 million relates to the cash bonus to the participants and SEK 0.8 million relates to social security contributions. In addition, the incentive program will entail certain limited costs in the form of external consulting fees and administration regarding the warrants and the program. Based on the above, no measures have been taken to secure the program.

The proposed incentive program comprises a maximum of 640,000 warrants that can be

utilized for subscribing for a maximum of 640,000 shares, which corresponds to a dilution effect of a maximum of approximately 1,1 per cent based on the number of shares and votes in the Company after retirement of shares according to a separate proposal to the Annual General Meeting and after the exercise of the warrants. The Company's share capital can increase by a maximum of SEK 233,333.333403 (calculated based on the share capital and the number of shares in the Company after the reduction of the share capital and the bonus issue according to a separate proposal to the Annual General Meeting), with reservation for any increase caused by recalculation in line with the terms of the warrants.

In total, 830,000 warrants are outstanding and held by participants in the incentive program decided at the 2019 Annual General Meeting. In total, 480,000 warrants are outstanding and held by participants in the incentive program decided at the 2021 Annual General Meeting. No more warrants may be transferred to participants in these incentive programs. Outstanding warrants from the incentive program decided at the 2019 and 2021 Annual General Meetings together with the proposed incentive program comprise a maximum of 1,950,000 warrants that can be exercised for subscription of a maximum of 1,950,000 shares in total, which corresponds to a dilution effect of a maximum of approximately 3,2 per cent based on the number of shares and votes in the Company after retirement of shares according to a separate proposal to the Annual General Meeting and after the exercise of the warrants. The Company's share capital can increase by a maximum of SEK 650,000.000213 (calculated based on the share capital and the number of shares in the Company after the reduction of the share capital and the bonus issue according to a separate proposal to the Annual General Meeting), with reservation for any increase caused by recalculation in line with the terms of the warrants.

Dilution and the costs of establishing and administering the incentive program are expected to have a marginal impact on the Byggmax Group's key ratios.

### **Preparation of the proposal**

The proposal has been prepared by the Board of Directors as a whole and elaborated in consultation with major shareholders and external advisors and has been discussed at board meetings in early 2022.

### **Majority requirement**

A resolution in favor 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**

At the 2019 and 2021 Annual General Meetings, the Company resolved to adopt an incentive program, comprising private placements and assignments of warrants to the Managing Director and other management. The warrants were issued free of any consideration to the Subsidiary, to later, in turn, be assigned to the participants in the incentive programs. The program from 2019 comprised a total of 1,280,000 warrants, of which 830,000 warrants are outstanding and are held by participants in the incentive program. Each warrant entitles the holder to subscribe for one new share in the Company in the period from June 10, 2024 until December 9, 2024 at a price of SEK 47.40 per new share.

The program from 2021 comprised a total of 640,000 warrants, of which 480,000 warrants are outstanding and are held by participants in the incentive program. Each warrant entitles the holder to subscribe for one new share in the Company in the period from June 15, 2026 until December 14, 2026 at a price of SEK 91.20 per new share.

The participants in the warrant programs have entered into a pre-emption agreement.

The Board of Directors intends to implement incentive programs on an annual basis.

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Stockholm, March 2022

**Byggmax Group AB (publ)**

*The Board of Directors*

**The Board of Directors' proposal for resolution regarding the issue of warrants**

The Board of Directors of Byggmax Group AB (publ), corp. reg. no. 556656-3531 (the "**Company**"), proposes that the Annual General Meeting resolves on the issue of a maximum of 640,000 warrants on the following terms.

1. The right to subscribe for new warrants shall, with deviation from the shareholders pre-emption rights, belong to Byggmax AB (corp. reg. no. 556645-6215).
2. The reason for the deviation from the shareholders' pre-emption rights is stated under the heading "Background and motive" above.
3. Subscription of warrants shall be made on a subscription list by May 25, 2022. The Board of Directors retains the right to extend the subscription period.
4. All warrants are to be issued free of any consideration.
5. Byggmax AB should be entitled, at market terms, to in turn reassign the warrants that Byggmax AB has subscribed for in accordance with this resolution to meet obligations arising from the Company's incentive program, any such assignment is approved by the Annual General Meeting through this resolution.
6. If all warrants are used for subscription of shares, the Company's share capital will increase with SEK 213,333.333403 (calculated based on the share capital and the number of shares in the Company after the reduction of the share capital and the bonus issue according to a separate proposal to the Annual General Meeting).
7. Each warrant entitles the holder to subscribe for one (1) new share in the Company at a subscription price amounting to 125 per cent of the volume-weighted average price paid for the Company's share on Nasdaq Stockholm during the period from May 10, 2022 to May 23, 2022. A day without a listing of either the payment price or the purchase price shall not be included in the calculation. The subscription price arrived at through this calculation should be rounded off to the nearest whole ten öre, whereby four (4) öre should be rounded down and five (5) öre and above rounded up. The subscription price is not permitted to 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 term and conditions for the warrants during the period from June 14, 2027 to December 13, 2027.
10. A new share that has been issued by virtue 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 B.

12. The managing director, or any other person appointed by the board of directors, shall have the right to take those smaller measures that may be required in order to register the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

**TERMS AND CONDITIONS FOR  
BYGGMAX GROUP AB'S WARRANTS 2022/2027**

**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"** Byggmax Group AB (publ), corp. reg. no. 556656-3531;

**"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 authorized 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 a maximum of 640,000.

**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 June 14, 2027 to December 13, 2027, 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 125 per cent of the volume-weighted average price paid for the Company's share on Nasdaq Stockholm during the period from May 10, 2022 to May 23, 2022. Days on which no price paid or bid price is recorded should not be included in the calculation. The subscription price arrived at through this calculation should be rounded off to the nearest whole ten öre, whereby four (4) öre should be rounded down and five (5) öre and above rounded up. 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:

8.3.1 In the event the Board of Directors resolves to carry out a share issue subject to approval of the general meeting or pursuant to authorization 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.

8.3.2 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:

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

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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 entitled 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:

$$\text{Adjusted Subscription Price} = \frac{\text{Previous Subscription Price} \times \text{average market price of the share during the application period specified in the offer (average share price)}}{\text{Average share price increased by the value of the right to participation in the Offer (value of the right to purchase)}}$$

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

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 15% 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 15% 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:

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

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

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:

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

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

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:

$$\text{The actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 25 trading days immediately prior to}$$

Calculated amount per share =	$\frac{\text{the day on which the share is listed without any right to participate in the reduction (average share price)}}{\text{The number of shares of the Company that entitles to the redemption of one share, reduced by 1}}$
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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 0.10, whereupon SEK 0.05 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 authorized, 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 Stockholm City Court (Sw: Stockholms tingsrätt) or in such other court whose competence the Company has accepted in writing.