

The board of directors' proposal to resolution on the adoption of an employee stock option program for employees (employee stock option program 2024/2028) (item 18 on the proposed agenda for the general meeting on 7 May 2024)

The board of directors of BioGaia AB (publ), reg. no. 556380-8723, (the “**Company**”) proposes that the general meeting resolves on (A) the introduction of employee stock option program 2024/2028 for the Company’s employees (the “**Employee Stock Option Program**”), (B) a directed issue of warrants to the Company, in order to ensure the Company’s delivery of shares in the Employee Stock Option Program and to cover cash flow effects due to potential social security costs arising from the Employee Stock Option Program, and (C) approval of transfer of warrants or shares in the Company pursuant to the Employee Stock Option Program. Resolutions in accordance with A, B and C above are conditional on each other and are therefore proposed to be adopted jointly.

The board of directors considers that it is essential and in the interest of all shareholders that the Company’s employees, who are deemed important for the Company’s further development, have a long-term interest in the value increase of the Company’s shares. A personal long-term ownership commitment can be expected to contribute to this, as well as raise the participants’ motivation to achieve or exceed the Company’s goals, and to create a sense of community between the employees, the Company and its shareholders.

The employee stock option program is proposed to comprise a maximum of 500,000 employee stock options that can be granted to current and additional employees that i) are a part of the Company’s management team, or ii) otherwise are deemed to be key employees in the Company (or its subsidiaries). In addition, it is proposed that a maximum of 91,642 warrants are issued to cover any cash flow effects due to social security costs arising from the Employee Stock Option Program.

The maximum dilution effect of the Employee Stock Option Program is estimated to approx. 0.58 percent of the share capital and approx. 0.44 percent of the votes in the Company (calculated based on the number of existing shares and votes in the Company at the time of the notice), provided full exercise of all employee stock options and warrants issued to cover potential cash flow effects from social security costs. The estimation does not take into account already outstanding warrants in the incentive program implemented 2021.

This proposal has been prepared by the Remuneration Committee and subsequently by the board of directors in consultation with external counsel.

(A) Employee stock option program 2024/2028

The board of directors proposes that the general meeting resolves on the introduction of the Employee Stock Option Program essentially on the following terms.

1. The Employee Stock Option Program shall include a maximum of 500,000 employee stock options.
2. The employee stock options shall be assigned to the program participants free of charge.
3. Each employee stock option shall entitle the holder to, at the achievement of certain goals after a three-year vesting period, acquire one (1) new B-share in the Company at an exercise price corresponding to 125 percent of the volume-weighted average price of the Company’s B-share according on Nasdaq Stockholm during the ten (10) trading days preceding the general meeting. The subscription price can, however, in no case be less than the par value.
4. Offering of employee stock options shall be decided by the Company’s board of directors and made to the categories CEO, management team and other key personnel in the Company (or its subsidiaries) until 7 May 2025. The intention is that such offerings shall be made on a limited number of times during this period. The Employee Stock Option

Program is proposed to entail that the following number of employee stock options may be allocated to employees within the respective categories:

- i) CEO: a maximum of 60,000 employee stock options.
- ii) management team: a maximum of 300,000 employee stock options for the category, and a maximum of 40,000 employee stock options per person within the category.
- iii) other key employees: a maximum of 300,000 employee stock options for the category, and a maximum of 25,000 employee stock options per person within the category.

However, no more than 500,000 employee options can be allocated in total.

- 5. The employee stock options may be exercised for the subscription of Class B shares in the Company, in accordance with the terms for the employee stock options, provided that certain strategic and operational goals, set out by the board of directors, are achieved. The goals will be set by the board of directors in advance and will be linked to important events in the Company's development such as the Company's financial performance and fulfilment of the Company's strategic goals.
- 6. The right to participate in the Employee Stock Option Program is subject to the participant entering into an employee stock option agreement with the Company.
- 7. Issued employee stock options do not constitute securities and may not be transferred, pledged or otherwise disposed by the holder.
- 8. The employee stock options are tied to the participant's employment in the Company. If the employment in the Company is terminated before the employee stock options are exercised for share subscription, all employee stock options which have not yet been exercised by the participant expire without right of exercise.
- 9. If a general meeting should resolve on e.g. an increase or decrease of the number of outstanding shares during the term of the employee stock options, recalculation can be performed to maintain the value of the employee stock options. Resolutions on recalculation shall be made by the board of directors of the Company.
- 10. The board of directors or a person designated by the board of directors shall have the right to decide on minor deviations in the program that may be needed to fulfill the purpose of the program.
- 11. Participation in the Employee Stock Option Program requires, first, that such participation may lawfully be made, and secondly, that such participation according to the Company's assessment can be made with reasonable administrative costs and financial efforts.

(B) Directed issue of warrants to the Company

To enable the Company's delivery of shares under the Employee Stock Option Program and to cover potential social security costs arising from the Employee Stock Option Program, the board of directors proposes that the general meeting resolves on a directed issue of a maximum of 591,642 warrants, out of which a maximum of 500,000 warrants are proposed to be issued to enable the Company's delivery of shares under the Employee Stock Option Program and a maximum of 91,642 warrants are proposed to be issued to cover cash flow effects from potential social security costs arising from the Employee Stock Option Program, according to the following terms.

- 1. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, belong to the Company. Oversubscription cannot occur.

2. The reason for the deviation from the shareholders' pre-emption rights is that the issue is a step in the introduction of the Employee Stock Option Program, and to cover cash flow effects from potential social security costs arising from the Employee Stock Option Program.
3. The warrants are issued free of charge.
4. Subscription of warrants shall be made on a subscription list no later than 17 May 2024. The board of directors shall have the right to extend the subscription period.
5. Each warrant entitles to subscription of one (1) new Class B share in the Company at a subscription price equal to SEK 0.2. The subscription price can never be less than the par value of the Company's share. If subscription takes place with a premium, the premium shall be transferred to the unrestricted premium reserve.
6. Subscription of Class B shares upon exercise of the warrants shall be made in accordance with the terms and conditions for the warrants during the period from registration with the Companies Registration Office up to and including 30 August 2028.
7. If all warrants are used for subscription of Class B shares, the Company's registered share capital will increase by SEK 118,328.33 (based on the current par value and provided that no recalculation is made according to the terms and conditions for the warrants).
8. A Class B 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 share subscription has been registered with the Swedish Companies Registration Office and recorded in the share register kept by Euroclear Sweden AB.
9. Further, the warrants are covered by the terms and conditions in Appendix A. The terms and conditions state, among other things, that the subscription price as well as the number of Class B shares to which each warrant entitles may be recalculated in certain cases.

(C) Approval of the transfer of warrants or shares in the Company

The board of directors proposes that the general meeting resolves to approve (i) that the Company may transfer a maximum of 500,000 warrants or shares in the Company to participants in the Employee Stock Option Program, or otherwise dispose of the warrants to secure the Company's commitments under the Employee Stock Option Program in connection with the participants being entitled to use their options to receive new shares, and (ii) that the Company may dispose of a maximum of 91,642 warrants to cover potential cash flow effects from social security costs in accordance with the terms of the Employee Stock Option Program.

Costs for the Employee Stock Option Program

The Employee Stock Option Program will result in costs, partly in the form of personnel costs and partly in the form of social security costs.

The personnel costs for the Employee Stock Option Program, which are recognized in the income statement, are calculated in accordance with the accounting standard IFRS 2 and are accrued on a straight-line basis over the three-year vesting period. The calculation has been performed with the following assumptions: (i) a share price for the Company's B-share of SEK 108.60 at the start of the vesting period (based on the closing price on 10 April 2024 of SEK 115.50 adjusted for the proposed dividend with record date 10 May 2024 of SEK 6.90 per share which is expected to take place before the implementation of the program); (ii) an assessment of future volatility regarding the Company's B-share; (iii) full performance-based vesting of the employee stock options; (iv) an annual staff turnover of 10 percent based on the Company's history; (v) that all vested employee stock options are exercised; and (vi) an assumption of dividends paid during the program's term.

Based on the assumptions stated above, the personnel cost for the program is calculated at approximately SEK 4.0 million, excluding social security costs.

The social security costs are estimated to amount to approximately SEK 1.0 million based on the assumptions stated above, a social security rate of 31.42 percent and an annual increase of the share price of 10 percent until the employee stock options are expected to be exercised to subscribe for new shares. The Company's cash flow associated with the social security costs are proposed to be covered through a directed issue of warrants as outlined in (B) above.

It should be noted that the calculations above are preliminary, based on assumptions, and solely aim to provide an illustration of the costs that the Employee Stock Option Program may entail. Actual costs may therefore differ from those stated above.

Additionally, there are certain costs associated with valuation, advisory services, registration and practical administration of the program (in connection with allocation and exercise of the options). Such additional costs are expected to be marginal.

The costs for the Employee Stock Option Program are expected to have a marginal effect on the group's key figures.

Other outstanding share-related incentive programs in the Company

On 6 May 2021, the annual general meeting resolved to implement an incentive program, entailing an issue of a maximum of 365,000 warrants where the warrant holders are entitled to, during the period from 6 July 2024 up to and including 6 November 2024, for each warrant subscribe for new Class B shares. The employees were offered to purchase the warrants for an amount of SEK 55.6 which was the market value determined by external valuation expertise. In total, 89,730 warrants were purchased which entailed a potential dilution of existing shareholders with 0.4%. After recalculation due to a share split in the Company, each warrant entitles to subscription of five (5) new Class B shares in the Company at a subscription price per five shares amounting to SEK 578.2. The program also contains a "stay-on" bonus over a three-year period.

There are no other outstanding share-related incentive programs in the Company.

Majority requirements

The proposal for a resolution pursuant to the above constitutes a combined proposal and shall be made as one resolution. A resolution requires approval of shareholders representing at least nine-tenths (9/10) of the votes cast and the shares represented at the general meeting.

Miscellaneous

The CEO, or the person appointed by the board of directors, shall be authorized to make any minor adjustments that may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office.

Appendix A

TERMS FOR WARRANTS 2024/2028 IN BIOGAIA AB (PUBL)

1 DEFINITIONS

In these terms the following words have the meaning attributed to them below:

“Account Operator” means a bank or other party that, if the Company is a CSD Company, has been approved as an account operator under the Financial Instruments Accounts Act (1998:1479) and with which Holders of Warrants have opened accounts for Warrants.

“Banking Day” means a day that is not a Saturday, Sunday or any other public holiday in Sweden, or treated as such a day for payment of loan instruments.

“Company” means BioGaia AB (publ), Reg. No. 556380-8723.

“CSD Company” means a company whose articles of association contain a clause stating that its shares are to be registered in a CSD (Central Securities Depository) register under the Financial Instruments Accounts Act (1998:1479) (a CSD Clause).

“Euroclear” means Euroclear Sweden AB or other central securities depository under the Financial Instruments Accounts Act (1998:1479).

“Holder” means the holder of a Warrant.

“Market Quotation” means admission of shares in the Company trading in a regulated marketplace or other organised marketplace.

“Share” or **“Shares”** means share or shares of series B in the Company.

“Subscription” means subscription for new Shares in the Company on exercise of Warrants under Chapter 14 of the Swedish Companies Act in accordance with these terms and conditions.

“Subscription Price” means the price at which Subscription may take place.

“Swedish Companies Act” means the Swedish Companies Act (2005:551).

“Warrant” means the right to subscribe for new Shares in the Company with payment in cash in accordance with these terms and conditions.

2 WARRANTS

The number of Warrants totals a maximum of 591,642.

Unless the Company is a CSD Company and has chosen to enter the Warrants in the VPC system (in which case Section 3 applies), the Company will issue Warrant certificates payable to a certain person or order. At the Holder's request, the Company will implement Subscriptions for new Shares in exchange for Warrant certificates for the Warrants.

3 CSD REGISTER AND ACCOUNT OPERATOR

If the Company is a CSD Company and it 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), no Warrant certificates being 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 Operator before the day the Company becomes a CSD Company, to be responsible for registration in CSD registers due to measures under the paragraph above and Sections 4 to 6. Registrations concerning Warrants due to Sections 4 and 6 will be carried out by the Account Operator. Other registrations regarding the account may be made either by the Account Operator or another account operator.

4 SUBSCRIPTION

During the period from the date of registration of the issue of Warrants up to and including 30 August 2028, or the earlier date specified in Section 6 below, for each Warrant the Holders may request Subscription for one (1) new Share in the Company for a Subscription price of SEK 0.2 per Share.

The Subscription price and the number of Shares to which each Warrant confers entitlement may be adjusted as specified in Section 6. However, the Subscription price may not be less than the quotient value of the Share.

A request for Subscription is made by a written request to the Company, or if the Company is a CSD Company that has chosen to enter the Warrants in the VPC system, to the Account Operator designated by the Company. The Holder must state the number of Shares for which it wishes to subscribe on the specified application form provided by the Company or the Account Operator. An application form duly completed and signed must be sent to the Company or the Account Operator at the address stated on the application form within the Subscription period specified in the first paragraph above. Where applicable, the Holder must, at the same time, submit Warrant certificates to the Company or the Account Operator representing the number of Warrants to be exercised. A request for Subscription is binding and irrevocable.

On all occasions Subscription can only take place for the entire number of Shares for which the total number of Warrants confers entitlement to subscribe and that the Holder wishes to exercise.

If the Company or the Account operator has not received a written request for Subscription within the period specified in the first paragraph above, the right to Subscription expires.

Payment for the new Shares must be made within five Banking days after the notification of Subscription has been submitted to the Company or, if the Company is a CSD Company, to an Account operator designated by the Company, to a bank account specified by the Company or the Account operator.

Following Subscription, Shares are allotted by a provisional entry of the new Shares in the Company's share ledger. If the Company is a CSD Company, the new Shares are temporarily registered in the share ledger kept by Euroclear and in the Holder's share accounts in the Company's CSD register. Following registration with the Swedish Companies Registration Office, registration in the Company's share ledger, or where applicable, in the share accounts in the Company's CSD register will be final. As stated in Section 6 below, the exact time for final registration may be postponed in some cases.

If the Shares are subscribed with a premium, the share premium shall be transferred to the unrestricted premium reserve.

5 DIVIDENDS ON NEW SHARES

Shares issued due to Subscription will confer entitlement to dividends for the first time at the next shareholders' meeting after the new Shares have been registered with the Swedish Companies Registration Office or, if the Company is a CSD Company, for the

first time on the next record day for dividends after the new Shares have been registered with the Swedish Companies Registration Office and registered in the share ledger kept by Euroclear.

6 ADJUSTMENT IN CERTAIN CASES

If, before the Warrants have been exercised, The Company takes certain measures listed below, the following applies to adjustment:

6.1 Bonus issue

If the Company makes a bonus issue, and a request for Subscription is made at such a time that the Subscription cannot take place on or before the tenth calendar day before the shareholders' meeting at which the bonus issue resolution is to be considered, Subscription will not take place until the resolution has been passed at the shareholders' meeting. Shares issued due to Subscription taking place after the resolution to carry out the issue are temporarily registered in the Company's share ledger, which means that they do not entitle the Holders to participate in the bonus issue. If the Company is a CSD Company, then, in the same way, the Shares are temporarily registered in a VP account and do not entitle the Holders to participate in the bonus issue. Final registration in the account will not take place until after the record day of the bonus issue.

The Subscription Price and the number of Shares for which each Warrant confers a right to subscribe will be adjusted if Subscription takes place after the resolution to carry out the bonus issue. Adjustment will be made by the Company through its board of directors, using the following formulae:

$$\text{adjusted Subscription Price} = \frac{\text{previous Subscription Price} \times \text{number of Shares before the bonus issue}}{\text{number of Shares after the bonus issue}}$$

$$\text{adjusted number of Shares to which each Warrant confers entitlement} = \frac{\text{previous number of Shares to which each Warrant conferred entitlement} \times (\text{number of shares after the bonus issue})}{\text{number of Shares before the bonus issue}}$$

The adjusted Subscription Price and the adjusted number of Shares are determined by the Company through its board of directors as soon as possible after the resolution by the shareholders' meeting to carry out the bonus issue, but do not apply until after the record day for the issue if the Company is a CSD Company.

6.2 Reverse share split or share split

If the Company carries out a reverse share split or a share split, Section 6.1 applies so that, if the Company is a CSD Company, the record day is the day the reverse share split or the share split respectively, is executed by Euroclear at the Company's request.

6.3 New share issue

If the Company carries out a new share issue under Chapter 13 of the Swedish Companies Act, with pre-emption rights for the shareholders to subscribe for new shares against payment in cash or by set-off, the following applies to the right to participate in the issue with respect to a Share allotted due to Subscription:

1. If the board of directors resolves to issue Shares subject to approval at a shareholders' meeting, or as authorised at a shareholders' meeting, the resolution to issue Shares will specify the last date on which Subscription must take place in order for the Shares allotted as a consequence of Subscription to entitle the Holders to participate in the new share issue.
2. If the new share issue resolution has been passed at a shareholders' meeting, and a request for Subscription is made at such a time that Subscription cannot be made on or before the tenth calendar day before the shareholders' meeting at which the new share issue resolution is to be considered, Subscription will not take place until the Company has made the adjustment in accordance with Section 6.3. Shares issued due to such a Subscription are temporarily registered in the Company's share ledger, which means that they do not entitle the Holders to participate in the issue. If the Company is a CSD Company, then, in the same way, the Shares are temporarily registered in a VP account and do not entitle the Holders to participate in the issue.

An adjusted Subscription Price and an adjusted number of Shares apply in the case of Subscription taking place at such times that the right to participate in new share issues does not arise. Adjustment will be made by the Company through its board of directors, using the following formulae:

$$\text{adjusted Subscription Price} = \frac{\text{previous Subscription Price} \times \text{the Share's average stock exchange price during the subscription period specified in the issue resolution (average Share price)}}{\text{average price of the Share plus the theoretical value of the subscription right calculated on the basis of the average Share price}}$$

$$\text{adjusted number of Shares to which each Warrant confers entitlement} = \frac{\text{previous number of Shares to which each Warrant confers entitlement} \times (\text{average Share price plus the theoretical value of the Warrant calculated on the basis thereof})}{\text{average Share price}}$$

In the event of Market Quotation the average Share price is deemed to be the average of the highest and lowest paid prices as shown on the marketplace's official list or other relevant market quotation for each trading day during the subscription period. If no

transaction price is quoted, the closing bid price quoted will instead form the basis for the calculation. Days for which neither a paid price nor a bid price can be given will not be included in the calculation.

The theoretical value of the subscription right is calculated using the following formula:

$$\text{value of the subscription right} = \frac{\text{maximum number of new Shares that may be issued under the resolution} \times (\text{average Share price less the subscription price for the new Share})}{\text{number of Shares before the new share issue resolution}}$$

If the above calculation results in a negative figure, the theoretical value of the subscription right will be set at zero.

Adjustment using the above formula takes no account of shares held by the Company.

The adjusted Subscription Price and adjusted number of Shares will be determined by the Company through its board of directors two Banking days after the end of the subscription period and will apply to Subscription taking place after that time.

If the Company's Shares are not subject to a Market Quotation, the adjusted Subscription Price and adjusted number of shares will be determined in accordance with the principles set out in Section 6.3. The adjustment, to be made by the Company through its board of directors, will be based on the assumption that the value of the Warrant is to remain unchanged.

During the period until the date on which the adjusted Subscription Price and adjusted number of Shares are determined, Subscription will take place on a preliminary basis, so that the number of Shares to which each Warrant confers entitlement, before adjustment, will be temporarily registered in the Company's share ledger or, if the Company is a CSD Company, in a VP account. It is further noted that each Warrant, following adjustment, may confer entitlement to additional Shares. Final registration in the Company's share ledger, or if the Company is a CSD Company, in a VP account, is made once the adjusted Subscription Price has been determined.

6.4 Issue under Chapter 14 or Chapter 15 of the Swedish Companies Act

If the Company makes an issue under Chapters 14 and 15 of the Swedish Companies Act, with pre-emption rights for the shareholders and with payment in cash or by set-off, the provisions of Section 6.3, first paragraph (1) and (2) apply to the right to participate in the issue for Shares issued due to Subscription by exercise of Warrants.

An adjusted Subscription Price and adjusted number of Shares apply in the case of Subscription taking place at such times that the right to participate in the share issue does not arise. The adjustment will be made by the Company through its board of directors, using the following formulae:

$$= \frac{\text{previous Subscription Price} \times \text{the average stock exchange price of the Share during the Subscription}}$$

$$\begin{array}{r}
 \text{adjusted} \\
 \text{Subscription} \\
 \text{Price}
 \end{array}
 = \frac{\text{period specified in the issue resolution (average Share price)}}{\text{average Share price plus the value of the subscription right}}$$

$$\begin{array}{r}
 \text{adjusted} \\
 \text{number of} \\
 \text{Shares to} \\
 \text{which each} \\
 \text{Warrant} \\
 \text{confers} \\
 \text{entitlement}
 \end{array}
 = \frac{\text{previous number of Shares to which each Warrant confers entitlement x (average Share price plus the theoretical value of the subscription right)}}{\text{average Share price}}$$

The average Share price is calculated in accordance with the provisions of Section 6.3.

In the event of Market Quotation the value of the subscription right is deemed to be the average of the highest and lowest paid prices for the subscription right as shown on the marketplace's official list or other relevant market quotation for each trading day during the subscription period. If no paid price is quoted, the closing bid price quoted will instead form the basis for the calculation. Days for which neither a paid price nor a bid price can be given will not be included in the calculation.

The adjusted Subscription Price and adjusted number of shares will be determined by the Company through its board of directors two Banking days after the end of the subscription period and will apply to Subscription taking place after that time.

If the Company's Shares or subscription rights are not subject to a Market Quotation, the adjusted Subscription Price and adjusted number of shares will be determined in accordance with the principles set out in Section 6.4. The adjustment, to be made by the Company through its board of directors, will be based on the assumption that the value of the Warrant is to remain unchanged.

The provisions of Section 6.3, final paragraph apply to Subscription made during the period before the adjusted Subscription Price and adjusted numbers of shares have been determined.

6.5 Offer to the shareholders

If, in circumstances other than those specified in Sections 6.1 to 6.4, the Company makes an offer to its shareholders, with pre-emption rights under the principles set out in Chapter 13, section 1 of the Swedish Companies Act, to purchase securities or any other rights from the Company, or resolves in accordance with these principles to distribute to its shareholders securities or rights without consideration, an adjusted Subscription Price and adjusted number of Shares will apply to Subscription for shares requested at such a time that Shares allotted as a result do not entitle the Holders to participate in the offer. The adjustment will be made by the Company through its board of directors, using the following formulae:

$$= \frac{\text{previous Subscription Price x the average stock exchange price of the Share during the application}}{\text{}}$$

adjusted Subscription Price		period specified in the offer (average Share price)
		<hr style="border: 0.5px solid black;"/> average Share price plus the value of the right to participate in the offer (value of the purchase right)
adjusted number of Shares to which each Warrant confers entitlement	=	previous number of Shares to which each Warrant confers entitlement x (average Share price plus the value of the purchase right)
		<hr style="border: 0.5px solid black;"/> average Share price

The average Share price is calculated in accordance with the provisions of Section 6.3.

If shareholders have received purchase rights, and those rights have been traded, the value of the right to participate in the offer is deemed to be the value of the purchase right. In that case, in the event of Market Quotation the value of the purchase right is deemed to be the average of the highest and lowest paid prices as shown on the marketplace's official list or other relevant market quotation for each trading day during the application period. If no paid price is quoted, the closing bid price quoted will form the basis of the calculation. Days for which neither a transaction price nor a bid price is quoted will not be included in the calculation.

If shareholders have not received purchase rights, or the purchase rights have not been traded, the Subscription Price and the number of Shares will be adjusted, as far as possible in accordance with the principles set out in Section 6.5, for which purpose the following will apply. If the securities or rights offered to the shareholders are listed on a stock exchange, the value of the right to participate in the offer is deemed to be the average of the highest and lowest paid prices for those securities or rights in the marketplace, for each trading day during a period of twenty-five (25) trading days commencing on the first day of the listing, where applicable less the consideration paid for the securities in connection with the offer. If no paid price is quoted, the closing bid price quoted will form the basis of the calculation. Days for which neither a transaction price nor a bid price is quoted will not be included in the calculation. When the Subscription Price and the number of Shares are adjusted in accordance with this paragraph the above period of twenty-five (25) trading days is deemed to correspond to the application period specified in the offer in accordance with the first paragraph in Section 6.5. If no such listing occurs, the value of the right to participate of the offer will, as far as possible, be determined on the basis of the change in the market value of the Company's Shares that can be judged to have occurred as a result of the offer.

The adjusted Subscription Price and adjusted number of Shares will be determined by the Company through its board of directors as soon as possible after the end of the offer period and will apply to Subscription of Shares taking place after that time.

The provisions of Section 6.3, final paragraph apply to Subscription taking place during the period before the adjusted Subscription Price and adjusted number of shares have been determined.

6.6 Pre-emption rights for Holders in the event of issues

If the Company carries out a new share issue under Chapter 13 or an issue under Chapters 14 or 15 of the Swedish Companies Act, with pre-emption rights for the shareholders, the Company may resolve to grant all Holders the same pre-emption rights accruing to the shareholders under the resolution. In that case, each Holder, whether or not Subscription has taken place, is deemed to be the owner of the number of Shares that the Holder would have received if Subscription had taken place at the time of the issue resolution.

If the Company resolves to make an offer to the shareholders as specified in Section 6.5, the provisions of the preceding paragraph apply. However, the number of Shares that the Holders will be deemed to hold in these circumstances will be determined on the basis of the Subscription Price applying at the time of the offer resolution.

If the Company resolves to grant the Holders pre-emption rights under the provisions of Section 6.6, the Subscription Price and the number of Shares to which each Warrant confers entitlement will not be adjusted under Sections 6.3, 6.4 or 6.5.

6.7 Cash dividend

If the Company resolves to pay a cash dividend to the shareholders that, together with other dividends paid during the same financial year, exceeds five per cent (5%) of the Share's average price during a period of twenty-five (25) trading days immediately before the date on which the board of directors of the Company announces its intention to put the dividend proposal to the shareholders' meeting, an adjusted Subscription Price and an adjusted number of Shares to which each Warrant confers entitlement will apply in the case of Subscription requested at such a time that Shares allotted as a result do not entitle the Holders to receive the dividend. The adjustment will be based on the portion of the total dividend exceeding five per cent (5%) of the Share's average price during the twenty-five day period ("extraordinary dividend"). The adjustment will be made by the Company through its board of directors, using the following formulae:

$$\begin{array}{rcl}
 \text{adjusted} & & \text{previous Subscription Price x the} \\
 \text{Subscription} & & \text{Share's average stock exchange} \\
 \text{Price} & = & \text{price during a period of 25 trading} \\
 & & \text{days commencing on the day the} \\
 & & \text{Share was listed without a right to} \\
 & & \text{an extraordinary dividend (average} \\
 & & \text{Share price)} \\
 \hline
 & & \text{average Share price plus the value} \\
 & & \text{of the extraordinary dividend paid} \\
 & & \text{per Share} \\
 \\
 \text{adjusted} & & \text{previous number of Shares to which} \\
 \text{number of} & & \text{each Warrant confers entitlement x} \\
 \text{Shares to} & & \text{(average Share price plus the} \\
 \text{which each} & = & \text{extraordinary dividend paid per} \\
 \text{Warrant} & & \text{Share)} \\
 \text{confers} & & \hline \\
 \text{entitlement} & & \text{average Share price}
 \end{array}$$

In the event of Market Quotation the average Share price is deemed to be the average of the highest and lowest paid prices as shown on the marketplace's official list or other relevant market quotation for each trading day during a period of twenty-five (25) trading days. If no paid price is quoted, the closing bid price quoted will form the basis of the calculation. Days for which neither a transaction price nor a bid price is quoted will not be included in the calculation.

The adjusted Subscription Price and adjusted number of Shares will be determined by the Company through its board of directors two banking days after the end of the above twenty-five day period and will apply to Subscription taking place after that time.

If the Company's Shares are not subject to a Market Quotation and it is resolved to pay a cash dividend to the shareholders, so that the shareholders receive a dividend that, together with other dividends paid during the financial year, exceeds 100 per cent of the Company's earnings during the financial year, and five per cent (5%) of the Company's value, an adjusted Subscription Price and an adjusted number of shares will apply to Subscription taking place at such a time that the Shares received do not confer entitlement to the dividend. The Company's value will then replace the average Share price in the formula. The adjustment will be based on the portion of the total dividend exceeding five per cent (5%) of the Company's value, and will be made by the Company through its board of directors in accordance with the principles set out in this Section.

The provisions of Section 6.3, final paragraph apply to Subscription made before the adjusted Subscription Price and the adjusted numbers of Shares have been determined.

6.8 Reduction of share capital with repayment for the shareholders

If the Company's share capital is compulsorily reduced and repayment is made to the shareholders, an adjusted Subscription Price and an adjusted number of Shares will apply in the case of Subscription made at such a time that Shares issued due to Subscription do not entitle the Holders to participate in the reduction. The adjustment will be made by the Company through its board of directors, using the following formulae:

$$\begin{array}{rcl}
 \text{adjusted} & & \text{previous Subscription Price x the} \\
 \text{Subscription} & & \text{Share's average stock exchange} \\
 \text{Price} & = & \text{price during a period of 25 trading} \\
 & & \text{days commencing on the day the} \\
 & & \text{Share was listed without a right to} \\
 & & \text{repayment (average Share price)} \\
 & & \hline
 & & \text{average Share price plus the} \\
 & & \text{amount repaid per Share}
 \end{array}$$

$$\begin{array}{rcl}
 \text{adjusted} & & \text{previous number of Shares to which} \\
 \text{number of} & & \text{each Warrant confers entitlement x} \\
 \text{Shares to} & & \text{(average Share price plus the sum} \\
 \text{which each} & = & \text{repaid per Share)} \\
 \text{Warrant} & & \hline
 \text{confers} & & \text{average Share price} \\
 \text{entitlement} & &
 \end{array}$$

The average Share price will be calculated in accordance with the provisions of Section 6.3.

Where adjustment is made in accordance with the above, and where the share capital is reduced through redemption of shares, an estimated repayment amount will be used in lieu of the actual sum repaid per Share, as follows:

$$\begin{array}{r} \text{estimated} \\ \text{amount per} \\ \text{Share} \end{array} = \frac{\begin{array}{l} \text{actual sum repaid per redeemed} \\ \text{Share less the average stock} \\ \text{exchange price of the Share for a} \\ \text{period of 25 trading days} \\ \text{immediately before the date on} \\ \text{which the Share was listed without} \\ \text{a right to participate in the reduction} \\ \text{(average Share price)} \end{array}}{\begin{array}{l} \text{number of Shares in the Company} \\ \text{on which the redemption of a Share} \\ \text{is based, less one (1)} \end{array}}$$

The average Share price will be calculated in accordance with the provisions of Section 6.3.

The adjusted Subscription Price and adjusted number of Shares will be determined by the Company through its board of directors two Banking days after the end of the above twenty-five day period and will apply to Subscription taking place after that time.

The provisions of Section 6.3, final paragraph apply to Subscription taking place before the adjusted Subscription Price and the adjusted number of Shares have been determined.

If the Company's share capital is reduced through a redemption of shares with repayment for the shareholders and the reduction is not compulsory but if, in the opinion of the Company, taking into account the technical structure and the financial effects of the reduction, it can equated with a compulsory reduction, the Subscription Price will be adjusted applying, as far as possible, the principles set out in Section 6.8.

If the Company's Shares are not subject to a Market Quotation, the adjusted Subscription Price and adjusted number of Shares will be determined in accordance with the principles set out in Section 6.8. The adjustment, to be made by the Company through its board of directors, will be based on the assumption that the value of the Warrant is to remain unchanged.

6.9 Liquidation

If it is resolved that the Company is to go into liquidation under Chapter 25 of the Swedish Companies Act, then, whatever the grounds for liquidation, Subscription may not subsequently be requested. The right to request Subscription is extinguished by the resolution to liquidate the Company, regardless of whether the resolution has become legally binding.

Written notice of an intended liquidation under Section 9 will be given to all known Holders no later than two months before the date of the shareholders' meeting held to consider voluntary liquidation of the Company under Chapter 25, section 1 of the Swedish

Companies Act. The notice will remind Holders that Subscription may not be requested once the resolution to liquidate the Company has been passed at the meeting.

If the Company gives notice of intended liquidation in accordance with above, then, regardless of the provisions of Section 4 concerning the earliest date on which to request Subscription, Holders may request Subscription from the date upon which the notice is given, provided it is possible to carry out Subscription no later than the tenth calendar day before the shareholders' meeting at which liquidation is to be considered.

6.10 Merger plan under Chapter 23, section 15 of the Swedish Companies Act

If a shareholders' meeting approves a merger plan under Chapter 23, section 15 of the Swedish Companies Act, whereby the Company is to be merged into another company, Subscription may not be requested after that date.

Written notice of the intended merger under Section 9 will be given to all known Holders no later than two months before the date of the shareholders' meeting held to consider the merger. The notice will specify the main contents of the intended merger plan and remind Holders that Subscription may not be requested after the final merger resolution has been passed by the shareholders.

If the Company gives notice of an intended merger in accordance with the above, then, regardless of the provisions of Section 4 concerning the earliest date on which to request Subscription, Holders may request Subscription from the date on which the notice of the merger is given, provided Subscription can take place no later than the tenth calendar day before the shareholders' meeting at which the merger plan is to be approved.

6.11 Merger plan under Chapter 23, section 28 of the Swedish Companies Act

If the Company's board of directors prepares a merger plan under Chapter 23, section 28 of the Swedish Companies Act, the following applies.

If a Swedish limited company owns all the shares in the Company, and if the Company's board of directors announces its intention to prepare a merger plan in accordance with the provisions of the Swedish Companies Act specified in the preceding paragraph, the Company must set a new final date for requesting Subscription ("expiration date") if the final date for Subscription under Section 4 falls after the announcement is made. The new expiration date will be within sixty (60) days after the announcement.

If the Company announces its intention to prepare a merger plan in accordance with the above, then, regardless of the provisions of Section 4 concerning the earliest date on which to request Subscription, Holders may request Subscription up to and including the expiration date. No later than four weeks before the expiration date the Company will give notice to the Holders under Section 9, reminding Holders of this right and that Subscription cannot be requested after the expiration date.

6.12 Buy-out of minority shareholders

If the Company's shares become subject to a buy-out procedure under Chapter 22 of the Swedish Companies Act, the following applies.

If a shareholder ("majority shareholder"), on its own or together with a subsidiary, owns a sufficient number of shares to entitle it to demand a buy-out of the remaining shares, and if, under applicable legislation, the majority shareholder announces its intention to commence a buy-out procedure, the provisions of Chapter 22 of the Swedish Companies Act apply.

6.13 Demerger under Chapter 24, section 1 second paragraph 1 of the Swedish Companies Act

If a demerger in accordance with a demerger plan under Chapter 24, section 1, second paragraph 1 of the Swedish Companies Act is approved at a shareholder's meeting, whereby all the Company's assets and liabilities are transferred to one or more other companies, followed by dissolution of the Company without liquidation, Subscription may not be requested after that date.

Written notice of the intended demerger will be given to Holders no later than two months before the Company finally decides on a demerger in accordance with the above. The notice will specify the main contents of the intended demerger plan and remind Holders that Subscription may not be requested once a final decision on demerger has been taken or once the demerger plan has been signed by the shareholders.

If the Company gives notice of an intended demerger in accordance with the above, then, regardless of the provisions of Section 4 concerning the earliest date for Subscription, Holders may request Subscription from the date on which the notice of the demerger is given, provided Subscription can take place no later than the tenth calendar day before the shareholders' meeting at which the demerger plan is to be approved or the day on which the shareholders are to sign the demerger plan.

6.14 Demerger under Chapter 24, section 1 second paragraph 2 of the Swedish Companies Act

If the Company carries out a partial demerger under Chapter 24, section 1, second paragraph 2 of the Swedish Companies Act, so that a portion of the Company's assets and liabilities are taken over by one or more other companies without the Company being dissolved, the Subscription Price and the number of Shares will be adjusted. The adjustment will be made by the Company through its board of directors, using the following formulae.

$$\text{adjusted Subscription Price} = \frac{\text{previous Subscription Price} \times \text{the Share's average stock exchange price during a period of 25 trading days commencing on the day the Share was listed without a right to demerger consideration (average Share price)}}{\text{average Share price plus demerger consideration paid per Share}}$$

$$\text{adjusted number of Shares to which each Warrant confers entitlement} = \frac{\text{previous number of Shares to which each Warrant confers entitlement} \times \text{(average Share price plus the demerger consideration paid per Share)}}{\text{average Share price}}$$

The average Share price will be calculated in accordance with the provisions of Section 6.3.

If the demerger consideration consists of shares or other securities that are subject to a Market Quotation, the value of the demerger consideration paid per share is deemed to be the average of the highest and lowest paid prices for the Share in the marketplace for each trading day during a period of twenty-five (25) trading days. If no paid price is quoted, the closing bid price quoted will instead form the basis for the calculation.

If the demerger consideration consists of shares or other securities that are not subject to a Market Quotation, the value of the demerger consideration will, as far as possible, be determined on the basis of the change in the market value of the Company's Shares that can be judged to have occurred as a result of payment of the demerger consideration.

The Subscription Price and number of Shares adjusted in accordance with the above will be determined by the Company through its board of directors two Banking days after the end of the period of 25 trading days specified above and applies to Subscription made after that time.

If the Company's Shares are not subject to a Market Quotation, the adjusted Subscription Price and adjusted number of Shares will be determined in accordance with the principles set out in this Section. The adjustment, to be made by the Company through its board of directors, will be based on the assumption that the value of the Warrant is to remain unchanged.

The provisions of Section 6.3, final paragraph apply to Subscription made before the adjusted Subscription Price and adjusted numbers of Shares have been determined.

Holders cannot invoke any rights under these terms as against the company or companies that take over assets and debts from the Company following the partial demerger.

6.15 Resumption of Subscription right

Notwithstanding the provisions of Sections 6.9 to 6.14 whereby Subscription may not be requested after a resolution to liquidate the Company, approval of a merger plan or demerger plan, or the expiration date in a merger or a demerger, the right to request Subscription is reinstated if the liquidation is discontinued or the merger or demerger is not carried out.

6.16 Right of adjustment in the event of unjust results

If the Company carries out any measure specified in this Section 6 and it is the opinion of the Company, in view of the technical structure of the measure, or for any other reason, that the intended adjustment formula cannot be used, or that its use would result in an unjust financial return for the Holders in relation to that of the shareholders, the Company's board of directors will adjust the Subscription Price and the number of Shares as it sees fit in order to ensure that the adjustment produces a just result. The adjustment will be based on the assumption that the value of the Warrants is to remain unchanged.

6.17 Rounding off, etc.

When adjustments are made in accordance with the above, the Subscription Price will be rounded up or down to the nearest one-hundredth of a Swedish krona (SEK 0.01). SEK 0.005 will be rounded up. The number of Shares will be rounded off to two decimal places. If it is necessary to convert any foreign currency into SEK, or SEK into any foreign currency, the board of directors will decide the conversion rate in light of the prevailing exchange rate.

6.18 Bankruptcy

If the Company is declared bankrupt, Subscription may not subsequently be requested. However, if the bankruptcy order is set aside by a higher court, Subscription may once again be requested.

7 SPECIFIC UNDERTAKING BY THE COMPANY

The Company agrees not to take any measure described in Section 6 that would result in an adjustment of the Subscription Price to an amount less than the quotient value of the Shares.

8 NOMINEE

For Warrants registered in the name of a nominee under the Financial Instruments Accounts Act (1998:1479), the nominee will be deemed to be the Holder of Warrants for the purpose of applying these terms.

9 NOTICES

Notices concerning the Warrants will be sent to each Holder and other rights holder that has notified the Company in writing of its postal address, or, if the Company is a CSD Company and has chosen to enter the Warrants in the VPC system, each Holder and other rights holder that is registered in an account in the Company's CSD register.

10 CHANGES IN THE TERMS

The Company may decide on changes in these terms insofar as required by legislation, court decisions or decisions of public authorities or if, in the opinion of the Company, such actions are otherwise appropriate or necessary for practical reasons and the rights of the Holders are not adversely affected in any material respect.

11 CONFIDENTIALITY

Unless authorised to do so, the Company may not provide information about a Holder to third parties.

If the Company is a CSD Company and has chosen to enter the Warrants in the VPC system, the Company may access the CSD register kept by Euroclear regarding the Holders of Warrants and to receive information about the name, personal ID or company registration number, address and the number of Warrants held for each Holder.

12 GOVERNING LAW AND VENUE

These terms and any legal matters relating to the Warrants are governed by Swedish law. Disputes arising from the Warrants will be settled by a court of general jurisdiction, Stockholm District Court (*Stockholms tingsrätt*), or any other court approved by the Company in writing, being the court of first instance.

13 LIMITATION OF LIABILITY

For the measures to be taken by the Company, the Account Operator and/or Euroclear under these terms, the Company, the Account Operator or Euroclear – for Euroclear taking into account the provisions of the Financial Instruments Accounts Act (1998:1479) – cannot be held liable for damages as a consequence of Swedish or other countries' legislative amendments, the actions of government agencies in Sweden or other countries, acts of war, strikes, blockades, boycotts, lockouts or similar measures. The

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proviso concerning strikes, blockades, boycotts and lockouts applies whether the Company, the Account Operator or Euroclear has taken or is subject to the measures.

Nor is the Company, the Account Operator or Euroclear liable in other cases to pay compensation for damages arising where the Company has exercised a normal standard of care. The Company, the Account Operator or Euroclear is not in any circumstances liable to pay compensation for consequential loss or damage.

If the Company, the Account Operator or Euroclear is unable to take any measure due to circumstances stated in the first paragraph, the measures may be postponed until the impediment has been removed.
