

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **The Board of Directors of Saniona AB (publ) proposal to resolution on:**

- A. employee option program; and**
- B. directed issue of warrants and approval of transfer of warrants**

### **Background**

The board of directors of Saniona AB (publ) (“**Saniona**” or the “**Company**”) proposes that the extraordinary general meeting on 23 October 2020 resolves to adopt an employee option program for the CEO, other senior executives<sup>1</sup>, vice presidents and other employees.

Saniona has historically had a limited executive team mainly composed of the Company’s founders based in Denmark. Saniona has recently achieved several major milestones including announcing positive topline results from its Phase 2 trial of Tesomet in Hypothalamic Obesity, received positive feedback from the FDA on the regulatory path for Tesomet in Prader-Willi Syndrome (PWS) and executed a USD 65 million equity offering led by a prominent US healthcare hedge fund (RA Capital) followed by a syndicate of several other high-quality institutional investors. Furthermore, Saniona is in the process of building its US presence through its new office in the Boston area.

A key focus to continue to execute on Saniona’s strategy is to establish presence in the U.S and to recruit senior executives and their teams in the Boston area.

In view of the current transformation of Saniona and in order to be able to attract and maintain key personnel, Saniona has engaged well renowned international compensation specialists to advise on appropriate structure and size of equity incentive programs going forward. Based on the advice received, in order to recruit talented US employees, the board of directors of Saniona has resolved that Saniona has to offer equity incentive programs that are competitive in a U.S. context.

The purpose of this proposed employee option program (the “**Employee Option Program 2020**”) is to secure that the Company can offer remuneration packages that are competitive, especially on the US market, to enable the Company to attract, retain and motivate key personnel. The purpose is further to secure a long term commitment for the employees within the Saniona Group through a compensation system which is linked to the Company’s future value growth. Through the implementation of a share-based incentive program, the future value growth in the Company is encouraged, which implies common interests and goals for the shareholders of the Company and key persons. Such share-based incentive program is also expected to increase Saniona’s possibilities of retaining competent key personnel. In structuring the proposal for the Employee Option Program 2020, the board of directors of Saniona has al-

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<sup>1</sup> The CSO Jørgen Drejer who is also a member of the board of directors will not be entitled to participate in the employee option program as he will be participating in a separate incentive program for members of the board of directors proposed by the Nomination Committee.

so considered the alternative of paying incentives in cash but concluded that this is not a viable alternative for the Company as it would divert cash from R&D and expansionary efforts. The details of the Employee Option Program 2020 are set out under Section A below.

In order to secure the Company's undertakings under the Employee Option Program 2020, the board of directors also proposes that the extraordinary general meeting resolves on a directed issue of warrants and an approval of transfer of warrants in accordance with Section B below.

#### **A. The board of directors' proposal to resolution on Employee Option Program 2020**

The board of directors proposes that the extraordinary general meeting resolves to adopt the Employee Option Program 2020 in accordance with the following substantial guidelines:

1. The Employee Option Program 2020 shall be comprised by a maximum of 7,976,690 employee options.
2. Each employee option entitles the holder a right to acquire one new share in the Company against cash consideration at a pre-determined exercise price. The exercise price will correspond to the closing price of the Company's share on Nasdaq Stockholm on the trading day immediately prior to the date when the participant was allotted the options (the "**Allotment Date**"). The exercise price calculated in accordance with the foregoing shall be rounded to the nearest whole *öre*, whereupon 0.5 *öre* shall be rounded upwards. The exercise price and the number of shares that each employee option entitles right to may be subject to recalculation in the event of a bonus issue, split, rights issue etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied. The participants shall however, subject to certain limitations applicable to certain options granted to US participants, also be entitled to exercise employee options through a "net-exercise mechanism" where the exercise price instead shall equal the quota value of the share (currently SEK 0.05). In case the participant chooses to utilize the net-exercise mechanism, the number of shares that each employee option gives right to acquire shall be reduced so that the "net gain" for the participant is the same as if the participant would instead have exercised at the ordinary exercise price.
3. The Employee Option Program 2020 shall comprise the CEO, other senior executives, vice presidents and other employees. The board of directors shall, within the framework of the resolution from the extraordinary general meeting, determine the number of employee options that each participant shall be allotted in accordance with the following principles.

CEO:	a maximum of 1,262,000 options
Other senior executives:	a maximum of 829,512 options per person
Vice Presidents:	a maximum of 203,000 options per person
Other employees:	a maximum of 74,600 options per person
4. Allotment shall take place prior to the annual general meeting held during 2021.
5. Allotted employee options shall vest with 25 per cent on the 12-month anniversary following the Allotment Date whereafter the remaining employee options will vest

with 6.25 per cent quarterly thereafter. Accordingly, all employee options allotted to a participant will be vested 48 months following the Allotment Date. The number of employee options that vests on each vesting day shall be rounded downwards to the nearest whole number and any excess employee options shall only vest on the last vesting day.

Vesting requires that the participant remains in employment or service within the Saniona Group as of the date when the respective vesting occurs. If the participant ceases to be employed or in a service relationship within the Saniona Group after a vesting date has occurred, but before the last date of exercise, the already vested employee options may be exercised on the ordinary dates of exercise, but further vesting will not take place.

6. The employee options shall not constitute securities and shall not be able to be transferred or pledged. However, in the event of death, the rights constituted by the employee options shall accrue to the beneficiaries of the holder of the employee options.
7. The employee options shall be allotted without consideration. The holder can exercise allotted and vested employee options from the time of vesting until the date that falls 10 years after the Allotment Date. However, for a participant that ceases to be employed or in a service relationship in the Saniona Group, vested options have to be exercised within 90 days from the date when the participant ceased to be employed or in a service relationship in the Saniona Group (or, in the case such cessation is due to the participant's death or disability, 12 months from such date).

In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting the Company, the employee options will vest in their entirety and be exercisable in connection with the relevant transaction.

8. Participation in the Employee Option Program 2020 requires that such participation is in accordance with applicable laws, as well as that such participation can take place with reasonable administrative costs and financial efforts according to the Company's opinion.
9. The employee options shall be governed by separate agreements with the participants. The board of directors shall be responsible for the preparation and management of the Employee Option Program 2020 within the above mentioned substantial terms and guidelines to be implemented through the complete Terms and Conditions as per **Appendix A1** and the "United States Sub-Plan" as per **Appendix A2** (which document includes certain additional provisions for US participants), and by taking into account such adjustments that may be required due to local legal or administrative conditions or to comply with local market practice. In extraordinary cases, the board of directors is entitled to limit the extent of, or terminate the Employee Option Program 2020 in advance, in whole or in part.

**B. The board of directors' proposal to resolution on a directed issue of warrants and approval of transfer of warrants**

In order to enable the Company's delivery of shares under the Employee Option Program 2020, the board of directors proposes that the extraordinary general meeting resolves on a directed issue of warrants and approval of transfer of warrants. The board of directors thus pro-

poses that the extraordinary general meeting resolves on a directed issue of a maximum of 7,976,690 warrants in accordance with the following terms and conditions:

1. The warrants may only, with deviation from the shareholders' preferential rights, be subscribed for by the subsidiary, Saniona A/S (the "**Subsidiary**"). The reason for the deviation from the shareholders' preferential rights is due to that the warrants are issued as part of the implementation of the Employee Option Program 2020. In light of what has been stated under the Section Background above, the board of directors considers that it is for the benefit of the Company and its shareholders that the Company can offer the Employee Option Program 2020 to the participants.
2. Subscription shall be made no later than as of 31 January 2021. The board of directors shall be entitled to postpone the last day for subscription.
3. Over subscription cannot occur.
4. The warrants shall be issued without consideration. The reason hereof is due to that the warrants shall be issued as part of the implementation of the Employee Option Program 2020.
5. The warrants and the exercise of the subscription rights are subject to the enclosed terms and conditions for the warrants 2020/2031, **Appendix B**, (the "**Warrant Terms and Conditions**"). The Warrant Terms and Conditions states among others:
  - (i) that each warrant entitles the holder a right to acquire one new share in the Company against cash consideration at a subscription price amounting to SEK 0.05;
  - (ii) that the subscription price and the number of shares that each warrant entitles right to may be subject to recalculation in accordance with Clause 8 of the Warrant Terms and Conditions;
  - (iii) that the warrants may be exercised during the time period from and including the registration of the warrants at the Swedish Companies Registration Office (*Sw. Bolagsverket*) to and including 30 September 2031;
  - (iv) that the period when the subscription right may be exercised may be brought forward or postponed in accordance with Clause 8 of the Warrant Terms and Conditions;
  - (v) that the shares issued upon exercise of a warrant shall confer right to dividends in accordance with Clause 7 of the Warrant Terms and Conditions.
6. If all warrants are exercised for subscription of new shares, the share capital will increase with SEK 398,834.50.
7. The Company's chairman of the board of directors shall be entitled to make such minor adjustments of the issue resolution that might be necessary in connection with registration with the Swedish Companies Registration Office.

Further, the board of directors proposes that the extraordinary general meeting shall resolve to approve that the Subsidiary may transfer warrants to the participants in the Employee Option Program 2020 (or to a financial intermediary assisting with the delivery of shares to participants in Employee Option Program 2020) without consideration in connection with the exercise of employee options in accordance with the terms and conditions under Section A above.

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### **Preparation of the proposal**

The proposal of the Employee Option Program 2020 has been prepared by the board of directors of the Company together with external consultants.

### **Costs, impact on key ratios, existing incentive programs and dilution**

The Employee Option Program 2020 will be accounted for in accordance with “IFRS 2 – Share based payments”. IFRS 2 stipulates that the options shall be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the Company’s cash flow. The board of directors has made the assessment that the Employee Option Program 2020 will not trigger any social costs for the Company.

The employee options do not have a market value since they are not transferable. However, the board of directors has calculated a theoretical value of the employee options using the “Black Scholes” formula. Assuming that all options are allotted up-front and assuming a share price at the time of allocation of the options of SEK 26.35 and that 100 per cent of the options are vested, the total cost for the Employee Option Program 2020 is estimated to be approximately SEK 137.6 million before tax during the period 2020-2030 calculated in accordance with the Black Scholes formula, according to IFRS 2.

It shall be noted that the calculations are based on preliminary assumptions and are only intended to provide an illustration of the outcome.

Following the registration of the shares resulting from the exercise of the warrants series TO2 that the Company announced on 23 September 2020, the total number of shares in the Company will amount to 62,372,831. In addition, there are in the aggregate 1,479,742 warrants series TO3 issued in the unit issue resolved in the beginning of 2020 outstanding and upon full exercise of these warrants in the aggregate 1,479,742 new shares will be issued resulting in a new total number of shares of 63,852,573.

Currently, there are incentive programs in the form of four employee option programs and three option programs for certain members of the board of directors outstanding in the Company, in relation to which warrants have been issued. For further information regarding the existing incentive programs, please see “Share Based Payments” in note 4 in the quarterly report for the second quarter 2020. Upon full exercise of all warrants issued in relation to existing incentive programs, in the aggregate 1,154,384 new shares will be issued.

In the event all warrants that are issued in relation to the proposed Employee Option Program 2020 are exercised for subscription of shares, a total of 7,976,690 shares will be issued, which

corresponds to a dilution of approximately 10.93 per cent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full exercise of all 7,976,690 warrants proposed to be issued in relation to Employee Option Program 2020, all 1,154,384 warrants issued in relation to existing employee incentive programs, as well as the exercise of all 1,479,742 TO3 warrants. Assuming that the 7,976,690 warrants to be issued in relation to Employee Option Program 2020 had been outstanding for the full year 2019, the Company's key ratio "Diluted earnings per share" for the full year 2019 would have changed from SEK -2.95 to SEK -2.25.

In addition to the Employee Option Program 2020, the Nomination Committee has proposed that the extraordinary general meeting also resolves to adopt an option program for members of the board of directors in the Company. In connection with the option program for the board of directors, a total of 308,000 warrants will be issued. In case all warrants outstanding in relation to incentive programs as well as the warrants proposed to be issued upon resolution by the extraordinary general meeting are exercised for subscription of shares, a total of 9,439,074 new shares will be issued, which corresponds to a dilution of approximately 12.88 per cent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full exercise of all outstanding and proposed warrants related to incentive programs as well as all TO3 warrants.

The above calculations regarding dilution and impact on key ratios are subject to recalculation of the warrants in accordance with the customary recalculation terms included in the applicable warrant terms.

### **Majority requirement**

The resolutions in accordance with Section A and B above shall be resolved upon as one resolution. The resolutions are subject to the provisions in Chapter 16 of the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*). A valid resolution requires that the resolution is supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the general meeting.

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Malmö in September 2020

The Board of Directors of Saniona AB (publ)

## Appendix A1

# TERMS AND CONDITIONS OF SANIONA AB (PUBL)'S OPTIONS PROGRAM 2020

## 1. Options

The extraordinary general meeting in Saniona AB (publ) (the “**Company**”) held on 23 October 2020 resolved to implement this options program (the “**Options Program 2020**”) comprised of employee options (*Sw.* personaloptioner) (the “**Options**”).

An individual entitled to Options under the Options Program 2020 is hereinafter referred to as an “**Option Holder**”.

Each Option entitles the Option Holder to a warrant (*Sw.* teckningsoption) which entitles the Option Holder to the acquisition of one (1) ordinary share in the Company against cash payment.

## 2. Allotment

The Options will, based on the guidelines resolved by the extraordinary general meeting, be allotted by the board of directors of the Company (the “**Board**”) in a separate notice of allotment issued to the participant of the Options Program 2020 (the “**Notice of Allotment**”). Any individual terms communicated in the Notice of Allotment will take precedence over the terms set out below.

The Options will be allotted to the Option Holders free of charge.

Every allotment of Options hereunder will be subject to the Option Holder accepting these terms and conditions, including any sub-plan, to the extent applicable.

## 3. Vesting

The Options will vest with respect to 25 per cent of the Options on the 12 month anniversary following the allotment date specified in the Notice of Allotment (the “**Allotment Date**”) whereafter the remaining Options will vest with respect to 6.25 per cent of the Options in equal quarterly instalments thereafter. Accordingly, all Options will be vested 48 months following the Allotment Date. The number of Options that vest on each vesting day shall be rounded downwards to the nearest whole number and any excess Options shall only vest on the last vesting day.

Vesting is conditional upon the Option Holder being an employee or providing (directly or indirectly) consultancy services to the Company (or another Company in its group) on the relevant vesting date and that the Option Holder on the vesting day has not provided notice of termination of its employment or assignment.

## 4. Time of exercise of the Option

Only Options that have been vested may be exercised.

Vested Options can, subject to the provisions below in this Section 4 and the provisions in Section 7, be exercised at any time until the date that falls 10 years after the Allotment Date.

In the event of a public take-over offer, sale of all or substantially all of the Company’s assets, liquidation, merger or any other such transaction affecting the Company which the Company considers shall be treated as an exit, all the allotted Options will vest in their entirety and be exercisable in connection with the relevant transaction. The Company will provide notice about the relevant transaction to the Option Holder and specify the time period during which the Options can be exercised.

Options not exercised during the exercise periods set out above will automatically forfeit.

## 5. Exercise of Options

Each vested Option will entitle the Option Holder to acquire one (1) share in the Company at the exercise price set out in the Notice of Allotment (which exercise price corresponds to the closing price for the Company’s share on Nasdaq Stockholm on the trading day immediately preceding the Allotment Date (the “**Exercise Price**”).

The exercise will formally be executed through the Option Holder receiving (1) one warrant “**Warrant**”) in the Company’s warrant program 2020 from the Subsidiary for each Option that is exercised (provided that the number of Warrants received is reduced in a Net-Exercise as further detailed below).

Each Warrant will entitle the Option Holder to subscribe immediately, and each Warrant will be immediately executed, for one (1) new ordinary share in the Company at SEK 0.05 (the “**Warrant Exercise Price**”). Since the Warrant Exercise Price is lower than the Exercise Price, the difference between the Exercise Price and the Warrant Exercise Price will be considered as an unconditional shareholder’s contribution to the Company.

As an alternative to exercising Options at the Exercise Price, the Option Holder shall, unless prohibited under any applicable sub-plan, be entitled to exercise Options through a “net-exercise mechanism” (a “**Net-Exercise**”) where the exercise price instead shall equal the quota value of the share (currently SEK 0.05) (the “**Net-Exercise Price**”). In case the Option Holder chooses to make a Net-Exercise, the number of shares that each Option gives right to acquire (and the

number of Warrants received and exercised upon exercise of an Option) shall be reduced so that the “net gain” for the Option Holder is substantially the same as if the participant would instead have exercised at the ordinary Exercise Price. The Net-Exercise is further specified in **Schedule A**.

The Exercise Price will be subject to recalculation according to the complete terms and conditions for the Warrants in **Schedule B**.

The Exercise Price (or the Net-Exercise Price as applicable) shall be paid in cash to the Company within five (5) business days from the written notice by the Option Holder of the desire to exercise an Option and the corresponding Warrant. The Option Holder shall at the same time exercise the Warrants received for subscription of shares. The Option Holder hereby irrevocably authorizes each of the Subsidiary and the Company or any person designated by the Company or the Subsidiary to execute the necessary documents to execute such subscription.

At the exercise of an Option, the Option Holder may exercise an optional number of the Option Holder’s vested Options.

The exercise of an Option shall be made utilizing the exercise notice set out in **Schedule C**. Once the exercise notice has been submitted to the Company, the exercise is binding and may not be revoked.

## 6. Prohibition against transfer and pledging

The Options may not be transferred or pledged and may only be exercised by the Option Holder or (subject to the provisions in Section 3), following the death of the Option Holder, the Option Holder’s beneficiaries.

## 7. Termination of employment /contract and death

In the event of the termination of the employment or contract of the Option Holder with the Company or another company within the Company’s group (the “**Group**”), and if not otherwise follows from the second paragraphs of this Section 7, all Options held by the Option Holder which are not vested at the date of notice of termination shall immediately forfeit and no further vesting will occur. For the avoidance of doubt, the Option Holder will retain all vested Options. The Option Holder shall thereafter be entitled to exercise such vested Options within 90 days from the date when the Option Holder ceased to be an employee or consultant of the Group, or in the event such termination is due to the Option Holder’s disability (as defined in any applicable sub-plan or the relevant agreement between the Group and the Option Holder) or due to the Option Holder’s death, the Option Holder shall thereafter be entitled to exercise such vested Options within 12 months following such date (provided, in all events, that such exercise period cannot extend beyond the date that falls 10 years from the Allotment Date). Options not exercised during this period will automatically forfeit.

If the Option Holder’s employment or contract with the Group should terminate due to cause (as defined in the relevant agreement between the Group and the Option Holder, all the Option Holder’s Options (vested as well as non-vested) shall immediately forfeit and not be exercisable thereafter (and no further vesting will occur).

In case of the death of the Option Holder, all the Option Holder’s rights according to the Options shall accrue to the Option Holders beneficiaries. However, the death of the Option Holder shall be treated as a termination in accordance with the first paragraph of this Section 7 (meaning that no further vesting will occur following the death of the Option Holder but that vested Options may be exercised in accordance with the terms and conditions herein during the exercise period set out in the first paragraph hereof).

## 8. Employment status etc.

Participation in the Options Program 2020 does not imply that the Option Holder has the right to continued employment in the Group or that the Option Holder or the employing company is hindered from terminating the employment.

The Option Holder is not entitled to any compensation or any damages as a result of the cessation of the employment, whereby the Option Holder has lost or can lose the right to possible benefits in accordance with the Options, to which the Option Holder would, otherwise, have been entitled.

Participation in Options Program 2020 does not imply any right to continued or future participation in similar programs.

No commitment, express or implied, is made for introduction of similar programs. Decisions regarding the establishment of future programs are taken by the Board and are contingent on the approval of the general meeting of shareholders.

Any possible value attributable to participation in the Options shall not constitute basis for holiday pay, pension benefits or pension provisions, right to bonuses, redundancy payments or other similar remuneration or benefits.

## 9. Terms and conditions of Warrants

The terms and conditions for the Warrants, received when exercising an Option, Schedule B, shall constitute part of the terms and conditions of the Options. It is evident from these terms and conditions *inter alia* that in some cases a recalculation of the Warrant Exercise Price and the number of shares for each Warrant may take place and then a recalculation of an Option shall be made correspondingly. The English language version of the terms and conditions for the Warrants set out in Schedule B is an unofficial translation of the original Swedish language version. The original Swedish language version can be obtained from the Company. In case of any discrepancies between the

Swedish language version and the English language version, the Swedish language version shall prevail.

## **10. Taxes and charges**

The Option Holder shall be responsible for the payment of the income taxes triggered by the exercise of the Options.

The Company is entitled to refuse to accept exercise of Options in case the Option Holder does not pay a cash amount to the Company corresponding to the payment liabilities that may arise on behalf of the Group related to the Option Holder's income taxes triggered by the exercise of the Options (to the extent such amounts cannot be deducted from the Option Holder's salary).

## **11. Other jurisdictions**

The Company has not taken, and will not be required to take, any actions in any other jurisdiction than Sweden and Denmark as may be required to ensure that the Options can be exercised in accordance with applicable law in such other jurisdictions. The Company reserves the right to consider a request for exercise that requires such further actions or that contravenes the laws of other jurisdictions as invalid.

## **12. Amendments**

The Company shall be entitled to amend these terms and conditions to the extent required by legislation, decisions of courts, decisions of authorities or if it is otherwise – according to the Company's reasonable opinion – appropriate or necessary for practical reasons provided that the Option Holder's rights are not materially prejudiced.

## **13. Applicable law and disputes**

Swedish law shall be applicable to these terms and conditions. Disputes shall be settled by arbitration according to the Rules for Expedited Arbitration of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration proceedings shall be held in Malmö. The costs of the arbitration proceedings shall be borne by the Company, irrespective of the outcome of the proceedings, provided that the Option Holder's demand for arbitration has not been evidently unfounded, in which case the costs shall be borne by the Option Holder.

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## Schedule A

### NET-EXERCISE

In connection with a Net Exercise, the number of shares that each exercised Option gives right to shall be reduced in accordance with the following formula:

<i>Number of Shares to be acquired for each exercised Option at an Net-Exercise)</i>	$Y \times (A - B)$
	A

- where: Y = the number of shares each Option entitles the Option Holder to acquire at the Exercise Price (i.e. originally 1 share per Option).
- A = the Market Value of one Share.
- B = Exercise Price less the quota value of a share (currently SEK 0.05).

The aggregate number of shares that the Options exercised in a Net Exercise entitles to shall be rounded downwards to the nearest whole number.

For the purposes hereof, the “**Market Value of one Share**” shall:

- (i) if the Company’s shares are listed on Nasdaq Stockholm or any other established stock exchange or a national market system, the Market Value of one Share shall be the closing price on Nasdaq Stockholm (or such other exchange or quotation system on which the shares are then listed) on the trading day immediately preceding the date of determination, as reported in such source as the Board deems reliable; or
- (ii) in the absence of an established market for the shares, the Market Value of one Share shall be determined in good faith by the Board (as applicable in a manner as set forth in Section 409A of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder).

*The Net-Exercise is illustrated by the following example:*

*An Option Holder wishes to utilize 10,000 Options with an Exercise Price of SEK 30 per share (and each Option entitles to acquisition of 1 share). At the time of the exercise, the Market Value of one Share is SEK 75. In the “ordinary” mechanism, the Option Holder would pay an aggregate Exercise Price of SEK 300,000 and acquire 10,000 shares. The aggregate market value of such shares would (calculated based on the Market Value of one Share) be SEK 750,000 and assuming that the Option Holder would immediately sell all the acquired shares at a price equal to the Market value of one share, the Option Holder would make a net gain of SEK 450,000.*

*In case the Option Holder would instead make a Net-Exercise, each Option would only entitle to acquisition of approximately 0,600666666667 shares and the Option Holder would pay the Net-Exercise Price (SEK 0.005) for each exercised Option resulting in an aggregate exercise price of SEK 500. The 10,000 Options exercised would then entitle the Option Holder to 6,006 shares. The aggregate market value of such shares would (calculated based on the Market Value of one Share) be SEK 450,450 and assuming that the Option Holder would immediately sell all the acquired shares at a price equal to the Market value of one share, the Option Holder would make a net gain of SEK 449,950.*

*NB: The example above is for illustration purposes only and does for example not reflect tax consequences triggered for an Option Holder upon exercise.*

## **Schedule B**

*[Please see terms and conditions for warrants 2020/2031 in Saniona AB (publ)]*

## Schedule C

### Exercise Notice

To: Saniona AB (publ), Reg. No. 556962-5345 (the “**Company**”)

Choose one alternative:

1. The undersigned hereby requests exercise of Options in accordance with Terms and Conditions of Saniona AB (publ)’s Options Program 2020 and requests to utilize \_\_\_\_\_ Options and acquire from Saniona A/S \_\_\_\_\_ shares in the Company at an Exercise Price of SEK \_\_\_\_\_ per share.
  
2. The undersigned hereby requests exercise of Options through a Net-Exercise in accordance with Terms and Conditions of Saniona AB (publ)’s Options Program 2020 and requests to utilize \_\_\_\_\_ Options and acquire from Saniona A/S \_\_\_\_\_ shares in the Company at the Net-Exercise Price of SEK 0.05 per Option.

The undersigned is aware of that the exercise will formally be made through subscription pursuant to Warrants.

The shares shall be delivered to:

- (i) VP account no: \_\_\_\_\_ (*please fill in VP-account number*)

*Alternatively*

- (ii) Deposit \_\_\_\_\_ (*please fill in deposit number*) with \_\_\_\_\_ (*please fill in bank/custodian*)

The undersigned will pay the Exercise Price or the Net-Exercise Price, as applicable, to the bank account designated by the Company no later than 5 business days from the date of this Exercise Notice.

This Exercise Notice is binding and may not be revoked. The Company reserves the right to disregard incompletely or incorrectly filled out Exercise Notices.

The undersigned hereby irrevocably authorizes each of the Company and Saniona A/S to (on behalf of the undersigned):

- (a) hold the number of Warrants required to subscribe for the number of shares set out in this Exercise Notice;
- (b) subscribe for the number of shares set out in the Exercise Notice;
- (c) effect payment to the Company for the shares subscribed for pursuant to this Exercise Notice; and

(d) procure that the undersigned is registered as owner of the shares subscribed for.

The above authorization may not be withdrawn. Should the authorization nonetheless be withdrawn, all rights according to the Options covered by this Exercise Notice will expire.

\_\_\_\_\_

Date:

\_\_\_\_\_

Signature:

## Appendix A2

## SANIONA AB

### ESOP 2020

#### UNITED STATES SUB-PLAN

##### 1. PURPOSE; DEFINITIONS

The purpose of the Options Program 2020 United States Sub-Plan (the “Sub-Plan”) is to establish certain rules and limitations applicable to Options granted under the T&C’s to Employees and Consultants who are or are expected to become United States residents or otherwise subject to the federal tax laws of the United States (“US Co-workers”). The T&C’s and this Sub-Plan are complementary to each other and shall, with respect to Options granted to US Co-Workers, be read and deemed as one. In the event of any contradiction, whether explicit or implied, between the provisions of this Sub-Plan and the T&C’s, the provisions of this Sub-Plan shall prevail with respect to Options granted to US Co-Workers.

For purposes of the Sub-Plan, the following initially capitalized words and phrases will be defined as set forth below, unless the context clearly requires a different meaning. Any capitalized terms not defined below will have the meanings given to them as forth in the T&C’s.

(a) “Code” means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(b) “Company” means Saniona AB (publ), Reg. No. 556962-5345.

(c) “Consultant” means any natural person, including an advisor, engaged by the Company or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company’s securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(d) “Disability” means “disability” as defined in Section 422(c) of the Code.

(e) “Employee” means a person who is engaged by the Company or Subsidiary of the Company as an employee.

(f) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(g) “Fair Market Value” means, as of any date, the value of a Share determined as follows:

(i) If the Company’s Shares are listed on Nasdaq Stockholm or any other established stock exchange or a national market system, the Fair Market Value shall be the closing price on Nasdaq Stockholm (or such other exchange or quotation system on which the Shares are then listed) on the trading day immediately preceding the date of determination, as reported in such source as the Board deems reliable;

(ii) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Board in a manner as set forth in Section 409A of the Code and the Treasury Regulations promulgated thereunder.

(h) “Incentive Stock Option” means any Option granted that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Code Section 422 and the regulations promulgated thereunder.

(i) “Non-Qualified Stock Option” means any Option that is not an Incentive Stock Option.

(j) “Parent” means a “parent corporation”, whether now or hereafter existing, as defined in Code Section 424(f).

(k) “Securities Act” means the Securities Act of 1933, as amended.

(l) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Code Section 424(f).

(m) “T&C’s” means the terms and conditions of the Company’s Options Program 2020.

(n) “Ten Percent Owner” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all share capital of the Company or any Parent of the Company or any Subsidiary of the Company.

## **2. ELIGIBILITY**

(a) Employees and Consultants are eligible to be granted Options under the Sub-Plan, provided, however, Incentive Stock Options shall be granted only to Employees.

## **3. OPTIONS**

(a) General. Any Option granted under the Sub-Plan will be in such form as the Board may at the time of such grant approve. All Options granted to US Co-workers under the Sub-Plan will be classified as either Incentive Stock Options or Non-Qualified Stock Options, as determined by the Board. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

The Grant Notice and Agreement evidencing any Option will incorporate the following terms and conditions and will contain such additional terms and conditions, not inconsistent with the T&C’s, as the Board deems appropriate in its sole and absolute discretion:

(b) ISO Limit. Subject to the overall limit on the number of Options that may be granted under the Company’s Options Program 2020 as approved by the Company’s shareholders, no more than 7,976,690 Shares shall be issued in the form of Incentive Stock Options, subject to adjustment as provided in the T&C’s and Section 3(h) below.

(c) Exercise Price. The Exercise Price per Share purchasable under any Option granted under the Sub-Plan will be determined by the Board and will not be less than 100% of the Fair Market Value per Share on the date of the grant. In the case of an Incentive Stock

Option that is granted to a Ten Percent Owner, the Exercise Price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value of such Shares on the date on which such Option is granted.

(d) Option Term. Notwithstanding anything in the T&C's to the contrary, no Option granted under the Sub-Plan will be exercisable more than ten (10) years following the date on which such Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Option shall be no more than five years from the date on which such Option is granted.

(e) Exercisability. Options will vest and be exercisable at such time or times and subject to such terms and conditions as determined by the Board as permitted by the T&C's. Payment upon exercise may be made in such methods as described in the T&C's; provided that, only Non-Qualified Stock Options may be exercised through a Net Exercise.

(f) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the date on which such Option is granted) of the Shares with respect to which Incentive Stock Options granted under this Sub-Plan and any other plan of the Company or its Parent and any of its Subsidiaries that become exercisable for the first time by a US Co-Workers during any calendar year shall not exceed \$100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(g) Tax Withholding. The Board, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a US Co-Workers to satisfy such tax withholding obligation, in whole or in part by such methods as the Board shall determine, including, *without limitation*, (i) paying cash, (ii) selling a sufficient number of Shares otherwise deliverable to the US Co-worker through such means as the Board may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld, or (iii) any combination of the foregoing methods of payment. The amount of the withholding requirement will be deemed to include any amount which the Board agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Employee with respect to the Option on the date that the amount of tax to be withheld is to be determined or such greater amount as the Board may determine if such amount would not have adverse accounting consequences, as the Board determines in its sole discretion. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(h) Option Adjustments. Any adjustments to the number of Shares subject to an Option and the applicable exercise price that are prescribed by clause 8 of the Terms and conditions for warrants 2020 in Saniona AB (publ) shall be done only to the extent permitted by, and in a manner that complies with, Section 409A of the Code.

#### **4. AMENDMENTS AND TERMINATION**

(a) The Board may amend, alter or discontinue this Sub-Plan at any time, provided that the Company will obtain shareholder approval of any amendment necessary and desirable to comply with applicable laws. To the extent determined by the Board to be required either by the Code to ensure that Incentive Stock Options granted under this Sub-Plan are qualified

under Section 422 of the Code or otherwise, Sub-Plan amendments shall be subject to approval by the Company shareholders entitled to vote at a meeting of shareholders.

## **5. GENERAL PROVISIONS**

(a) The Board may require each US Co-worker to represent to and agree with the Company in writing that the US Co-worker is acquiring securities of the Company for investment purposes and without a view to distribution thereof and as to such other matters as the Board believes are appropriate.

(b) Shares shall not be issued hereunder unless, in the judgment of counsel for the Company, the issuance complies with the requirements of any stock exchange or quotation system on which the Shares are then listed or quoted, the Securities Act of 1933, the Exchange Act, all rules and regulations promulgated thereunder and all other applicable laws.

(c) All Shares or other securities delivered under the Sub-Plan will be subject to such share-transfer orders and other restrictions as the Board may deem advisable under the rules, regulations, and other requirements of any stock exchange upon which the Shares are then listed and any applicable laws, and the Board may cause a legend or legends to apply to any such Shares to make appropriate reference to such restrictions.

(d) No Option or any right with respect thereto shall be assignable, transferable, or given as collateral to any third party whatsoever by operation of law or otherwise, except by will or by the laws of descent and distribution. During the lifetime of the US Co-worker, all of such US Co-worker's rights to purchase Shares upon the exercise of any Option shall be exercisable only by the US Co-worker.

## **6. EFFECTIVE DATE**

(a) The T&C's has become effective on 23 October 2020 and this Sub-Plan will become effective on the date that it is adopted by the Board. No Option intended to be an Incentive Stock Option may be granted following the tenth anniversary of the date that the T&C's and Sub-Plan are adopted by the Board or the tenth anniversary of the date the T&C's and Sub-Plan are approved by the Company's shareholders, whichever is earlier.

## **7. INVALID PROVISIONS**

(a) In the event that any provision of this Sub-Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## Appendix B

### Terms and conditions for warrants 2020/2031 in Saniona AB (publ)

#### 1. Definitions

In these terms and conditions:

“banking day”	means a day that is not a Saturday, Sunday or another public holiday in Sweden, or which as regards the payment of promissory notes is not equated with a public holiday in Sweden.
“the Companies Act”	means the Swedish Companies Act ( <i>Sw.</i> aktiebolagslagen (2005:551)).
“the company”	means Saniona AB (publ), Reg. No. 556962-5345.
“market quotation”	means, in relation to any shares, securities or other rights, that the relevant shares, securities or rights are listed on a stock exchange, authorised market place, regulated market, other multilateral trading facility (MTF) or a similar market place.
“securities account”	means a securities account ( <i>Sw.</i> värdepapperskonto (‘avstämningskonto’)) with Euroclear on which the respective warrant holders’ holdings of warrants are registered or, as the case may be, shares in the company issued pursuant to subscription are to be registered.
“subscription”	means subscription, upon exercise of warrants, for new shares in the company in exchange for cash payment in accordance with these terms and conditions.
“subscription period”	means the period during which subscription can be made according to these terms and conditions.
“subscription price”	means the price at which subscription can be effected according to these terms and conditions.
“Euroclear”	means the Swedish central securities depository Euroclear Sweden AB.

“warrant”	means a right to subscribe for new shares in the company in exchange for cash payment in accordance with these terms and conditions.
“warrant certificate”	means a written certificate issued to a certain person that the company has issued as bearer of the warrant.
“warrant holder”	means the holder of a warrant certificate.

## 2. **Number of warrants etc.**

The number of warrants shall not exceed 7,976,690.

The company will keep a warrant book for the warrants. A warrant holder can however always request that the company issues physical warrant certificates.

Issued warrant certificates may be submitted to the company for exchange and change to warrant certificates in other denominations.

The company undertakes to effectuate subscriptions in accordance with these terms and conditions.

## 3. **Right to subscribe for new shares**

Each warrant entitles the holder a right to acquire one new share in the company against cash consideration at a subscription price of SEK 0.05.

The subscription price as well as the number of shares that each warrant confers right to subscribe for can be subject to adjustment in accordance with the provisions of Clause 8 below. If the application of these provisions should result in a subscription price lower than the quotient value at that time of the then outstanding shares, the subscription price shall instead equal the quotient value at that time of the then outstanding shares.

## 4. **Subscription**

Subscription may only be made during the period from and including the registration of the warrants at the Swedish Companies Registration Office (*Sw. Bolagsverket*) to and including 30 September 2031.

The subscription period can be brought forward or postponed in accordance with the provisions of Clause 8 below.

Subscription may only be made for the whole number of shares that the total number of warrants, which are exercised by the same warrant holder at one and the same time, confer right to subscribe for.

Subscription is made by submitting an application form (subscription list) in the form stipulated and provided by the company, duly completed and signed, together with warrant certificates representing the warrants that are used for subscription to the company at the address specified in the application form.

Should such application form (subscription list) not have been received by the company, together with above mentioned warrant certificates, within the subscription period, the warrants shall lapse.

Subscription is binding and may not be revoked.

## **5. Payment**

Payment for the number of shares for which the subscription relates shall be made simultaneously with the subscription. The payment shall be made in cash to the bank account specified in the application form (subscription list).

## **6. Effectuation of subscription**

Subscription is effected following subscription and payment made in accordance with Clauses 4 and 5 above. Any fractions of warrants that may not be exercised for subscription pursuant to the third paragraph of Clause 4 above will then be disregarded from. Such fractions shall lapse upon subscription.

Subscription is effected through a resolution of the board of directors of the company to allot the new shares to the warrant holder, whereafter the new shares are recorded in the company's share ledger (which is kept by Euroclear) and on the warrant holder's securities account as interim shares. Following completion of registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*), the recordings of the new shares in the share ledger and on the securities account become final.

As stated in Clause 8 below, subscription may in certain cases be effected only after a certain date, and with the application of a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for.

## **7. Dividends on new shares**

A share issued pursuant to subscription confers right to dividends from the first record date for dividends that occurs following effectuation of the subscription to such extent that the share has been recorded as interim share in the company's share ledger.

## **8. Recalculation of subscription price and number of shares, etc.**

### **8.1 Bonus issue**

If the company effects a bonus issue, then subscription made at such date that it cannot be effected to such extent that shares issued pursuant to the subscription can be

recorded as interim shares in the company's share ledger on the seventeenth calendar day prior to the shareholders' meeting to consider the bonus issue at the latest shall be effected after the resolution on the issue of the shareholders' meeting.

Shares issued pursuant to subscription effected after the issue resolution do not confer right to participate in the bonus issue.

If the bonus issue is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected after the issue resolution. The recalculations shall be made by the company in accordance with the following formulas:

$$\text{(recalculated subscription price)} = \text{(previous subscription price)} \times \frac{\text{(the number of shares in the company prior to the bonus issue)}}{\text{(the number of shares in the company after the bonus issue)}}$$
$$\text{(recalculated number of shares that each warrant confers right to subscribe for)} = \frac{\text{(the previous number of shares that each warrant confers right to subscribe for)} \times \text{(the number of shares in the company after the bonus issue)}}{\text{(the number of shares in the company prior to the bonus issue)}}$$

When recalculation shall be made as above-mentioned, the recalculated subscription price and the recalculated number of shares that each warrant confers right to subscribe for shall be fixed by the company two banking days after the issue resolution at the latest, and final registration in the share ledger and on securities accounts of shares issued pursuant to subscription will be made after the record date of the bonus issue. Prior thereto, such shares are recorded only provisionally in the share ledger and on securities accounts and do not confer right to participate in the bonus issue.

## 8.2 Consolidation or split-up

If the company effects a consolidation or split-up of its shares, then subscription made at such date that it cannot be effected to such extent that shares issued pursuant to the subscription can be recorded as interim shares in the company's share ledger on the seventeenth calendar day prior to the shareholders' meeting to consider the consolidation or split-up at the latest shall be effected after the resolution on the consolidation or split-up of the shareholders' meeting.

Shares issued pursuant to subscription effected after the consolidation or split-up resolution are not affected by the consolidation or split-up.

If the consolidation or split-up is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected after the consolidation or split-up resolution. The recalculations shall be made by the company in accordance with the following formulas:

*(recalculated subscription price) = (previous subscription price) x (the number of shares in the company prior to the consolidation or split-up) / (the number of shares in the company after the consolidation or split-up)*

*(recalculated number of shares that each warrant confers right to subscribe for) = (the previous number of shares that each warrant confers right to subscribe for) x (the number of shares in the company after the consolidation or split-up / (the number of shares in the company prior to the consolidation or split-up)*

When recalculation shall be made as above-mentioned, the recalculated subscription price and the recalculated number of shares that each warrant confers right to subscribe for shall be fixed by the company two banking days after the consolidation or split-up resolution at the latest, and final registration in the share ledger and on securities accounts of shares issued pursuant to subscription will be made after the consolidation or split-up having been registered with Euroclear. Prior thereto, such shares are recorded only provisionally in the share ledger and on securities accounts and are not affected by the consolidation or split-up.

### **8.3 New issue of shares**

If the company effects a new issue of shares with preferential rights for the shareholders to subscribe for the new shares against cash payment or payment by way of set-off, the following shall apply as regards effectuation of subscription and the right to participate in the issue conferred by shares issued pursuant to subscription:

- (a) If the issue is resolved by the board of directors subject to the approval of the shareholders' meeting or pursuant to prior authorisation by the shareholders' meeting, then the latest date on which subscription shall have been effected in order for a share issued pursuant to subscription to confer right to participate in the issue shall be stated in the issue resolution. Such date may not fall earlier than on the tenth calendar day after public disclosure of the board of directors' issue resolution or, if the resolution is not made public, after notice of the board's issue resolution to the option holders. Subscription made at such date that it cannot be effected to such extent that shares issued pursuant to the subscription can be recorded as interim shares in the company's share ledger on the said date at the latest shall be effected after that date.

Shares issued pursuant to subscription effected after the above-mentioned date do not confer right to participate in the new issue.

- (b) If the issue is resolved by the shareholders' meeting, then subscription made at such date that it cannot be effected to such extent that shares issued pursuant to the subscription can be recorded as interim shares in the company's share ledger on the seventeenth calendar day prior to the shareholders' meeting to consider the issue at the latest shall be effected after the resolution on the issue of the shareholders' meeting.

Shares issued pursuant to subscription effected after the issue resolution do not confer right to participate in the new issue.

If the new issue is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected at such date, that shares issued pursuant to such subscription do not confer right to participate in the new issue. The recalculations shall be made by the company in accordance with the following formulas:

$$\text{(recalculated subscription price)} = \text{(previous subscription price)} \times \text{(the average market price of the share during the subscription period fixed pursuant to the issue resolution ("the average share price"))} / \text{((the average share price) + (the theoretical value of the subscription right ("the value of the subscription right"))}$$
$$\text{(recalculated number of shares that each warrant confers right to subscribe for)} = \text{(the previous number of shares that each warrant confers right to subscribe for)} \times \text{((the average price of the share) + (the value of the subscription right))} / \text{(the average share price)}$$

The average share price shall be deemed to equal the average of the mean of the highest and lowest prices paid for the share each trading day during the subscription period fixed pursuant to the issue resolution according to the exchange list on which the share is primarily quoted. In the absence of quoted price paid, the quoted bid price shall be included in the calculation instead. If neither paid price nor bid price is quoted on a given day, that day shall be excluded from the calculation.

The value of the subscription right shall be calculated in accordance with the following formula, provided that the value of the subscription right shall be deemed to be zero if the resulting value is negative:

$$\text{(the value of the subscription right)} = \text{(the maximum number of new shares that can be issued according to the issue resolution)} \times \text{((the average share price) - (the subscription price for each new share))} / \text{(the number of shares in the company prior to the new issue)}$$

When recalculation shall be made as above-mentioned, the recalculated subscription price and the recalculated number of shares that each warrant confers right to subscribe for shall be fixed by the company two banking days after the expiry of the subscription period fixed pursuant to the issue resolution at the latest, and final registration in the share ledger and on securities accounts of shares issued pursuant to subscription will be made after the recalculations having been fixed. Prior thereto, subscription is effected only provisionally – with application of the subscription price and the number of shares that each warrant confers right to subscribe for applicable prior to the recalculations – and the shares are recorded only provisionally in the share ledger and on securities accounts, together with a note that the number of shares so provisionally registered may be increased upon final registration, and do not confer right to participate in the issue.

#### 8.4 Issue of warrants or convertibles

If the company effects an issue of warrants (share options) or convertibles with preferential rights for the shareholders to subscribe for such warrants or convertibles against cash payment or payment by way of set-off or, as regards warrants, without payment, the provisions of (a) and (b) of the first paragraph of Clause 8.3 shall apply analogously as regards effectuation of subscription and the right to participate in the issue conferred by shares issued pursuant to subscription.

If the issue is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected at such date, that shares issued pursuant to such subscription do not confer right to participate in the issue. The recalculations shall be made by the company in accordance with the following formulas:

$$\text{(recalculated subscription price)} = \text{(previous subscription price)} \times \frac{\text{(the average market price of the share during the subscription period fixed pursuant to the issue resolution ("the average share price"))}{\text{(the average share price)} + \text{(the theoretical value of the subscription right ("the value of the subscription right"))}}$$
$$\text{(recalculated number of shares that each warrant confers right to subscribe for)} = \text{(the previous number of shares that each warrant confers right to subscribe for)} \times \frac{\text{(the average share price)} + \text{(the value of the subscription right)}}{\text{(the average share price)}}$$

The average share price shall be calculated with analogous application of the provisions of Clause 8.3 above.

The value of the subscription right shall be determined based upon the change in the market value of the company's shares which may be deemed to have occurred as a consequence of the issue.

When recalculation shall be made as above-mentioned, the recalculated subscription price and the recalculated number of shares that each warrant confers right to subscribe for shall be fixed by the company two banking days after the expiry of the subscription period fixed pursuant to the issue resolution at the latest, and final registration in the share ledger and on securities accounts of shares issued pursuant to subscription will be made after the recalculations having been fixed. Prior thereto, subscription is effected only provisionally – with application of the subscription price and the number of shares that each warrant confers right to subscribe for applicable prior to the recalculations – and the shares are recorded only provisionally in the share ledger and on securities accounts, together with a note that the number of shares so provisionally registered may be increased upon final registration, and do not confer right to participate in the issue.

## 8.5 Certain other offers to the shareholders

If the company in other cases than those contemplated by Clauses 8.1–8.4 above (i) effects an offer to the shareholders, with preferential rights for the shareholders according to the principles of Chap. 13 Sec. 1 paragraph 1 of the Companies Act, to purchase any securities or rights from the company, or (ii) distributes to the shareholders, pursuant to such preferential right, any such securities or rights, (in both cases “the offer”), the provisions of (a) and (b) of the first paragraph of Clause 8.3 shall apply analogously as regards effectuation of subscription and the right to participate in the offer conferred by shares issued pursuant to subscription.

If the offer is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected at such date, that shares issued pursuant to such subscription do not confer right to participate in the offer. The recalculations shall be made by the company in accordance with the following formulas:

$$\text{(recalculated subscription price)} = \text{(previous subscription price)} \times \frac{\text{(the average market price of the share during the acceptance period of the offer or, in case of distribution, during the period of 25 trading days starting on the day on which the share is quoted without right to any part of the distribution (“the average share price”))}}{\text{(the average share price)} + \text{(the theoretical value of the right to participate in the offer (“the value of the purchase right”))}}$$
$$\text{(recalculated number of shares that each warrant confers right to subscribe for)} = \text{(the previous number of shares that each warrant confers right to subscribe for)} \times \frac{\text{(the average share price)} + \text{(the value of the purchase right)}}{\text{(the average share price)}}$$

The average share price shall be calculated with analogous application of the provisions of Clause 8.3 above.

If the shareholders receive purchase rights and these are subject to market quotation, the value of the purchase right shall be deemed to equal the average of the mean of the highest and lowest prices paid for the purchase right each trading day during the acceptance period of the offer according to the exchange list on which the purchase right is primarily quoted. In the absence of quoted price paid, the quoted bid price shall be included in the calculation instead. If neither paid price nor bid price is quoted on a given day, that day shall be excluded from the calculation.

If the shareholders do not receive any purchase rights, or if the purchase rights are not subject to market quotation, but the securities or rights being the subject of the offer either are already subject to market quotation or become subject to market quotation in connection with the offer, the value of the purchase right shall be deemed to equal (i) if the securities or rights are already subject to market quotation, the average of the mean of the highest and lowest prices paid for such security or right each trading day during the acceptance period of the offer or, in case of distribution, during the period of 25 trading days starting on the day on which the share is quoted without

right to any part of the distribution according to the exchange list on which the security or right is primarily quoted, less any consideration payable for them in connection with the offer, or (ii) if the securities or rights become subject to market quotation in connection with the offer, the average of the mean of the highest and lowest prices paid for such security or right each trading day during the period of 25 trading days starting on the first day of such market quotation according to the exchange list on which the security or right is primarily quoted. In the absence of quoted price paid, the quoted bid price shall be included in the calculation instead. If neither paid price nor bid price is quoted on a given day, that day shall be excluded from the calculation. When the value of the purchase right shall be determined pursuant to (ii) of this paragraph, then in the recalculation of the subscription price and the number of shares that each warrant confers right to subscribe for in accordance with the above formulas the average share price shall relate to the 25-trading day period mentioned in (ii) of this paragraph instead of the period mentioned in the above formulas.

If the shareholders do not receive any purchase rights, or if the purchase rights are not subject to market quotation, and the securities or rights being the subject of the offer neither already are subject to market quotation nor become subject to market quotation in connection with the offer, the value of the purchase right shall to the extent possible be determined based upon the change in the market value of the company's shares which, according to an independent valuer retained by the company, may be deemed to have occurred as a consequence of the offer.

When recalculation shall be made as above-mentioned, the recalculated subscription price and the recalculated number of shares that each warrant confers right to subscribe for shall be fixed by the company two banking days after the expiry of the period during which the average share price shall be calculated for the above recalculations at the latest, and final registration in the share ledger and on securities accounts of shares issued pursuant to subscription will be made after the recalculations having been fixed. Prior thereto, subscription is effected only provisionally – with application of the subscription price and the number of shares that each warrant confers right to subscribe for applicable prior to the recalculations – and the shares are recorded only provisionally in the share ledger and on securities accounts, together with a note that the number of shares so provisionally registered may be increased upon final registration, and do not confer right to participate in the offer.

## **8.6 Extraordinary dividends**

If the company pays cash dividends to the shareholders with an amount per share that, together with other cash dividends paid during the same financial year, exceeds ten per cent of the average market price for the share during a period of 25 trading days immediately prior to the day when the board of directors of the company announces its intention to propose such dividends to the shareholders' meeting (which average market price shall be calculated in accordance with the provisions in Clause 8.3 above), subscription made at such date that it cannot be effected to such extent that shares issued pursuant to the subscription can be recorded as interim shares in

the company's share ledger on the seventeenth calendar day prior to the shareholders' meeting to consider the dividends at the latest shall be effected after the resolution on the dividends of the shareholders' meeting.

Shares issued pursuant to subscription effected after the dividend resolution do not confer right to receive any part of the dividend.

If the payment of the dividends is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected at such date, that shares issued pursuant to such subscription do not confer right to receive any part of the dividends. The recalculations shall be based on the part of the aggregate cash dividends per share that exceeds ten per cent of the company's average market price during the above mentioned period (the "extraordinary dividend") and be made by the company in accordance with the following formulas:

$$\text{(recalculated subscription price)} = \text{(previous subscription price)} \times \text{(the average market price of the share during the period of 25 trading days starting on the day on which the share is quoted without dividend ("the average share price"))} / ((\text{the average share price}) + \text{(the extraordinary dividend paid per share)})$$
$$\text{(recalculated number of shares that each warrant confers right to subscribe for)} = \text{(the previous number of shares that each warrant confers right to subscribe for)} \times ((\text{the average share price}) + \text{(the extraordinary dividend paid per share)}) / \text{(the average share price)}$$

The average share price shall be calculated with analogous application of the provisions of Clause 8.3 above.

When recalculation shall be made as above-mentioned, the recalculated subscription price and the recalculated number of shares that each warrant confers right to subscribe for shall be fixed by the company two banking days after the expiry of the above-mentioned 25-trading day period at the latest, and final registration in the share ledger and on securities accounts of shares issued pursuant to subscription will be made after the recalculations having been fixed. Prior thereto, subscription is effected only provisionally – with application of the subscription price and the number of shares that each warrant confers right to subscribe for applicable prior to the recalculations – and the shares are recorded only provisionally in the share ledger and on securities accounts, together with a note that the number of shares so provisionally registered may be increased upon final registration, and do not confer right to participate in the offer.

#### **8.7 Reduction of the share capital**

If the company effects a reduction of its share capital with repayment to the shareholders (with or without redemption of shares), and such reduction is compulsory, then subscription made at such date that it cannot be effected to such extent that shares issued pursuant to the subscription can be recorded as interim shares in the

company's share ledger on the seventeenth calendar day prior to the shareholders' meeting to consider the reduction at the latest shall be effected only after the resolution on the reduction of the shareholders' meeting.

Shares issued pursuant to subscription effected after the reduction resolution do not confer right to receive any part of the repayment and are not affected by the redemption (if any).

If the reduction is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected after the reduction resolution. The recalculations shall be made by the company in accordance with the following formulas:

$$\text{(recalculated subscription price)} = \text{(previous subscription price)} \times \text{(the average market price of the share during the period of 25 trading days starting on the day on which the share is quoted without right to repayment ("the average share price"))} / \text{((the average share price) + (the actual amount repaid per share))}$$
$$\text{(recalculated number of shares that each warrant confers right to subscribe for)} = \text{(the previous number of shares that each warrant confers right to subscribe for)} \times \text{((the average share price) + (the actual amount repaid per share))} / \text{(the average share price)}$$

If the reduction is carried out through redemption of shares, then instead of using the actual amount repaid per share in the above-mentioned recalculation of the subscription price and the number of shares each warrant confers right to subscribe for, a calculated amount repaid per share determined as follows shall be applied:

$$\text{(calculated amount repaid per share)} = \text{((the actual amount repaid per share) - (the average market price of the share during the period of 25 trading days immediately preceding the day on which the share is quoted without right to participate in the reduction ("the average share price"))} / \text{((the number of shares in the company which entitle to the reduction of one share) - 1)}$$

The average share price shall be calculated with analogous application of the provisions of Clause 8.3 above.

When recalculation shall be made as above-mentioned, the recalculated subscription price and the recalculated number of shares that each warrant confers right to subscribe for shall be fixed by the company two banking days after the expiry of the latest 25-trading days period applicable for the above recalculations to occur at the latest, and final registration in the share ledger and on securities accounts of shares issued pursuant to subscription will be made after the recalculations having been fixed. Prior thereto, subscription is effected only provisionally – with application of the subscription price and the number of shares that each warrant confers right to subscribe for applicable prior to the recalculations – and the shares are recorded only provisionally in the share ledger and on securities accounts, together with a note that the number of shares so provisionally registered may be increased upon final registra-

tion, and do not confer right to receive any amount of the repayment nor affected by the redemption (if any).

If the company effects a reduction of its share capital with repayment to the shareholders through redemption of shares, and such reduction is not compulsory and where, in the opinion of the company, such reduction due to its technical structure and financial effects is equivalent to a compulsory reduction, the above provisions in this Clause 8.7 shall apply and a recalculation of the subscription price and the number of shares to which each warrant confers right to subscribe for shall be made, to the extent possible, in accordance with the principles set forth in this Clause 8.7.

## **8.8 Recalculations if the company's shares are not subject to market quotation**

8.8.1 If the company effects a measure contemplated by Clauses 8.3–8.5 or 8.7 above and none of the company's shares are subject to market quotation at the time of such measure, the said provisions shall apply, provided that the recalculation of the subscription price and number of shares that each warrant confers right to subscribe for shall be made at the company's sole discretion (i) either in accordance with an agreement made between the company and the warrant holders or (ii) by the company, to the extent possible, in accordance with the principles set forth in such Clause 8.3–8.5 or 8.7 above as is applicable and based on the assumption that the value of the warrants shall be left unchanged.

8.8.2 In case none of the company's shares are subject to market quotation, the following shall apply instead of the corresponding provisions in Clause 8.6 above. If the company pays cash dividends to the shareholders with an amount per share that, together with other cash dividends paid during the same financial year, exceeds 50 per cent of the company's profits after tax according to established profit and loss accounts or, as applicable, consolidated profit and loss accounts, for the financial year immediately preceding the year in which the dividend is resolved, subscription made at such date that it cannot be effected to such extent that shares issued pursuant to the subscription can be recorded as interim shares in the company's share ledger on the seventeenth calendar day prior to the shareholders' meeting to consider the dividends at the latest shall be effected after the resolution on the dividends of the shareholders' meeting.

Shares issued pursuant to subscription effected after the dividend resolution do not confer right to receive any part of the dividend.

If the payment of the dividends is completed, a recalculated subscription price and a recalculated number of shares that each warrant confers right to subscribe for shall apply to subscription effected at such date, that shares issued pursuant to such subscription do not confer right to receive any part of the dividends. The recalculations shall be based on the part of the aggregate cash dividends per share that exceeds 50 per cent of the company's above mentioned profits after tax (the "extraordinary dividend") and shall be made at the company's sole discretion (i) either in accordance with an agreement made between the company and the warrant holders or (ii) by the

company, to the extent possible, in accordance with the principles set forth in such Clause 8.6 above and based on the assumption that the value of the warrants shall be left unchanged.

#### **8.9 Alternative recalculation method**

If the company effects any measure contemplated by Clauses 8.1– 8.7 above and if, in the company's opinion, application of the recalculation formulas established for such measure, taking into account the technical framework of such measure or other reasons, could not be made or would result in the warrant holders receiving, in relation to the shareholders, economic compensation that is not reasonable, the company shall make the recalculation of the subscription price and the number of shares to which each warrant confers right to subscribe for in such a manner as the company determines is appropriate to ensure that the recalculation gives a reasonable result.

#### **8.10 Rounding off**

In the recalculation of the subscription price and the number of shares that each warrant confers right to subscribe for in accordance with this Clause 8, the subscription price shall be rounded off to the nearest ten öre (SEK 0.10) where any SEK 0.05 shall be rounded upwards, and the number of shares shall be rounded off upwards to two decimals.

#### **8.11 Compulsory acquisition**

If shares in the company become subject to compulsory acquisition proceedings, the right to subscribe and to have subscription effected is regulated by the provisions of Chap. 22 of the Companies Act.

#### **8.12 Merger**

If (i) the shareholders' meeting resolves to approve a merger plan pursuant to which the company shall dissolve into another company or (ii) the board of directors of the company resolves that the company shall dissolve into its parent company, the warrant holders shall receive at least equivalent rights in the absorbing company as in the company (the absorbed company), provided the warrant holders are not entitled to have their warrants redeemed pursuant to the merger plan.

#### **8.13 De-merger**

If the shareholders' meeting resolves to approve a de-merger plan pursuant to which the company shall be divided through transfer of certain or all of the company's assets and liabilities to one or several other companies, the warrant holders shall receive at least equivalent rights in the transferee company or companies, as the case may be, as in the company (the transferor company), provided the warrant holders are not entitled to have their warrants redeemed pursuant to the de-merger plan.

#### **8.14 Winding-up**

If it is resolved that the company shall be wound-up, no subscription may thereafter be made or effected. The right to subscribe and the obligation to effect subscription ceases with the winding-up resolution, regardless of the grounds for the resolution and whether the same shall have gained legal force.

If the winding-up is not carried through, subscription may again be made and effected in accordance with these terms and conditions.

No later than 30 calendar days prior to the shareholders' meeting to consider a voluntary winding-up pursuant to Chap. 25 Sec. 1 of the Companies Act, the warrant holders shall be notified of the contemplated winding-up. The notice shall contain a reminder of that no subscription may be made or effected after that the shareholders' meeting having resolved that the company shall be wound-up and also a reminder of that the subscription period is brought forward in accordance with the first paragraph below.

Notwithstanding the provisions in Clause 4 above concerning subscription period, the warrant holders have the right to subscribe and to have subscriptions effected from the date of the above-mentioned notice, provided that such subscription can be effected to such extent that shares issued pursuant to the subscription can be recorded as interim shares in the company's share ledger no later than the day before the shareholders' meeting to consider the winding-up.

#### **8.15 Bankruptcy**

If a court of law declares the company bankrupt, no subscription may thereafter be made or effected. The right to subscribe and the obligation to effect subscription ceases with the bankruptcy order, regardless of the grounds for the order and whether the same shall have gained legal force.

If the bankruptcy order is revoked, subscription may again be made and effected in accordance with these terms and conditions.

### **9. Notices**

Notices concerning the warrants shall be sent by e-mail or regular mail to each warrant holder and any other rights holder registered under it's for the company's last known e-mail address and mailing address.

Warrant holders are required to register their name and valid e-mail address and mailing address to the company.

### **10. Variation**

The company shall be entitled to vary these terms and conditions to the extent required by legislation, decisions of courts of law or authorities, or if it otherwise, in the

opinion of the company, is deemed necessary or expedient for practical reasons and provided that the rights of the warrant holders are in no way prejudiced.

**11. Confidentiality**

The company may not without necessary authorisation disclose information regarding the warrant holders to any third party.

**12. Limitation of liability**

With respect to the actions incumbent on the company, the company shall be not held liable for damage arising as a result of Swedish or foreign legislation, any action of a Swedish or foreign authority, acts of war, strikes, blockades, boycotts, lockouts, or similar circumstances. The exemption in respect of strikes, blockades, boycotts and lockouts applies also in cases where the company, itself takes or is the subject of such measure or conflict.

Nor shall the company be liable for damage arising in other cases if the company, as appropriate, has exercised normal caution. In addition, under no circumstances shall the company or the bank be held liable for any indirect damage.

If the company is hindered from taking any measure due to a circumstance referred to in the first paragraph, the taking of such measure may be postponed until such hinder no longer exists.

**13. Language**

In the event of any discrepancy between the English and Swedish language versions of these terms and conditions, the Swedish language version shall prevail.

**14. Dispute resolution and applicable law**

Any dispute, controversy or claim arising out of or in connection with these terms and conditions, or any legal issues relating thereto, shall be settled by the ordinary courts of Sweden with the District Court of Malmö (*Sw. Malmö tingsrätt*) as the court of first instance.

These terms and conditions and thereto related legal issues shall be governed by and construed in accordance with Swedish law.

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