

## ITEM 15 - DECISION ON ISSUE OF WARRANTS - INCENTIVE PROGRAM FOR EMPLOYEES AND OTHERS

The Board of Directors proposes that the Annual General Meeting resolves on a directed issue of a maximum of 900,000 warrants of series 2022/2027: 1, entailing an increase in the share capital upon full exercise by a maximum of SEK 90,000. For the decision, the following conditions shall otherwise apply.

The right to subscribe for the warrants is added, with deviation from the shareholders' preferential rights, the subsidiary Zinzino Operations AB, corporate identity number 556655-2658 ("Subsidiary"), with the right and obligation to transfer the warrants to employees and others as below. Oversubscription is not possible.

The reasons for the deviation from the shareholders' preferential rights are to stimulate shareholders in the company through an incentive program whereby the company's management, employees and key persons as well as persons in the external distributor organization can take part in and work for a positive value development of the company during the period covered and that the company should be able to retain and recruit competent and committed staff.

The warrants shall be issued free of charge. Subscription of the warrants shall take place within two weeks from the date of the issue decision on a separate subscription list. The Board has the right to extend the subscription period.

Each warrant entitles the holder to subscribe for one new (1) B share in the company. New subscription of shares with the support of the warrants can take place during the period from and including the Swedish Companies Registration Office's registration of the warrants up to and including 31 May 2027. The subscription price per share shall amount to an amount determined on the day of the meeting according to the following principles: multiplied by a multiple of 1.4. The final price shall be determined by the actor independent of the company who has the task of valuing the warrants in accordance with Black & Scholes' valuation model and rounded off so that the price is even SEK 0.05. The new shares that may be issued upon new subscription are not subject to any reservations.

Shares issued after subscription in accordance with these terms and conditions carry the right to a dividend for the first time on the record date for dividends that falls immediately after the shares have been registered with the Swedish Companies Registration Office and entered in the share register kept by Euroclear Sweden AB. Warrants held by the Subsidiary and which have not been transferred as described below may be canceled by the company following a decision by the board of the company with the consent of the board of the subsidiary. Any cancellation must be reported to the Swedish Companies Registration Office for registration.

The Board, or the person appointed by the Board, is authorized to make the minor adjustments and clarifications required for registration of the decision with the Swedish Companies Registration Office and Euroclear Sweden AB.

Other terms for the warrants are set out in the complete warrants, which are provided in accordance with what is stated under the heading "Provision of documents" below.

### Approval of transfer of warrants

The Board of Directors proposes that the Annual General Meeting approve the Subsidiary's transfers of warrants on the following terms. The right to acquire warrants from the Subsidiary shall be added to the following categories:

<b>Category</b>	<b>Maximum number of options/person</b>	<b>Maximum number of options/category</b>
Key people in the external sales organisation	100,000	400,000
Group management and sales management (maximum 20 people)	40,000	350,000
Key employees (maximum 15 people)	10,000	150,000

The right to acquire warrants from the Subsidiary shall only accrue to those persons who at the end of the application period have not resigned or been terminated.

It must also be possible to offer options to future new employees, e.g. in connection with the possible introduction of new positions in the company. These new employees shall not be included in the maximum amounts specified under each job category, however, the maximum number of options per category shall not be affected. For such acquisitions, the conditions shall be the same or equivalent to what is stated in this decision. This means, among other things, that acquisitions must take place at the then current market value.

Transfer to participants presupposes that the warrants can be acquired legally and, in the opinion of the Board, that reasonable administrative and financial efforts can be made.

### **Registration and allotment**

If warrants within a certain category remain after all registrations within the category have been satisfied, the remaining number must be allocated to participants in another category, whereby the board shall determine the distribution based on category affiliation, staff category and notified number of warrants. However, such a distribution may at most mean that the maximum number of warrants per person within a certain category is exceeded by 50 percent.

The company's board decides on the final allotment.

### **Price and payment, etc.**

The warrants shall be transferred on market terms at a price (premium) determined on the basis of an estimated market value of the warrants using the Black & Scholes valuation model calculated by an independent valuation institute. For acquisitions made by new employees after the end of the initial application period, a new market price must be determined in a corresponding manner. A preliminary calculation of the market value of the warrants, taking into account current circumstances, shows a market value per warrant of SEK 2.50.

The employees will acquire the warrants at the market value determined. Payment must be made in cash.

### **More information about the warrant programme**

#### **Dilution**

In the event of full new subscription with the support of all warrants, 900,000 new shares can be issued, which corresponds to a dilution of approximately 2 percent of the total number of shares and votes in the company, subject to any recalculation according to the terms and conditions.

#### **Impact on key figures and costs for the company etc.**

The company's earnings per share are not affected by the issue of the warrants as the present value of the exercise price of the warrants will exceed the current market value of the share at the time of the transfer to employees.

The warrant program will only incur certain limited costs in the form of external consulting fees and administration regarding the warrant program.

#### **Preparation of the case**

The principles for the option program have been developed by the company's board. The Board has subsequently decided to present this proposal to the Annual General Meeting. Apart from the salaried employees who prepared the matter in accordance with instructions from the board, no employee who may be covered by the program participated in the drafting of the terms.

## **Other share-related incentive programs etc.**

In addition to the now proposed incentive program, there are currently three outstanding option programs. All programs are largely aimed at the external distributor organization in the Group, but also with a certain allocation to employees at the company.

The first option program comprises 800,000 warrants at an exercise price of SEK 18 per Class B share that expires on 31 May 2024, of which 50,000 have been subscribed for by the Group's management team. Other warrants in the program have been subscribed for by the company's external distributors. As of the date of this notice, 366,100 warrants have already been exercised for share subscription within the framework of this option program.

The second option program comprises 1,000,000 warrants at an exercise price of SEK 45 per Class B share that expires on 31 May 2025, of which 220,000 have been subscribed for by the Group's management team, 51,000 by key employees and 22,100 by other employees in the Group. Other warrants in the program have been subscribed for by the company's external distributors. As of the date of this notice, 36,033 warrants have already been exercised for share subscription within the framework of this warrants program.

A third option program was decided at the company's Annual General Meeting on 20 May 2021 and comprises 800,000 warrants at an exercise price of SEK 140 per Class B share that expires on 31 May 2026. As of the date of this notice, no warrants have been subscribed or exercised for share subscription within the framework of this option program.

If all outstanding warrants as above are exercised for new subscription, a total of 2,197,867 Series B shares will be issued, which corresponds to a total dilution of the share capital amounting to a total of approximately 6.5%.

## **Instruction to the board**

The Board of Directors proposes that the Annual General Meeting instruct the Board of Directors of the company to implement the decision as above and to ensure that the Board of Directors of the Subsidiary carries out transfers of warrants in accordance with the above.

## **Remarks**

Decisions according to the above require the assistance of shareholders representing at least 9/10 of both the votes cast and the shares represented at the meeting.

Gothenburg, April 2022

**Zinzino AB**

Board of Directors