

# Item 16 - Decision on issue of warrants - incentive program for employees and others the external sales organization

## Item 16 - Decision on issue of warrants - incentive program for employees and others

The board proposes that the meeting decide on a directed issue of a maximum of 500,000 warrants of series 2023/2026:1, which means an increase in the share capital upon full utilization by a maximum of SEK 50,000. The following conditions shall otherwise apply to the decision:

The right to subscribe for the warrants accrues, with deviation from the shareholders' preemptive right, to the subsidiary Zinzino Operations AB, registration no. 556655-2658 ("Subsidiary"), with the right and obligation to transfer the warrants to employees etc. as below. Oversubscription cannot take place.

The reason for the deviation from the shareholders' preferential right is to stimulate share ownership in the company through an incentive program whereby the company's management and employees can take part in and work for a positive development in the value of the company's share during the period covered by the proposed program, and that the company must be able to retain and recruit competent and committed personnel.

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

Each warrant entitles the holder to subscribe for (1) B share in the company. New subscriptions for shares supported by 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 2026. The subscription price per share must amount to an amount determined on the day of the general meeting according to the following principles: the closing price of the company's share on the day of the general meeting, multiplied by a multiple of 1.4. The final price must be determined by the actor independent of the company who is tasked with valuing the warrants in accordance with the Black & Scholes valuation model and rounded so that the price is even 5 öre. The part of the subscription price that exceeds the quota value must be transferred to the free share premium fund. The new shares that may be issued upon new subscription are not covered by any reservations.

Shares issued after subscription in accordance with these conditions carry the right to a dividend for the first time on the record date for the dividend that falls closest after the shares have been registered with the Swedish Companies Registration Office and entered in the share register maintained by Euroclear Sweden AB. Warrants held by the Subsidiary and not 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 notified to the Swedish Companies Registration Office for registration.

The board, or whoever the board appoints, is authorized to make the minor adjustments and clarifications required for the decision's registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

Other conditions for the warrants appear in the full warrant conditions, which are provided in accordance with what is stated under the heading "Provision of documents" below.

## Approval of transfer of warrants

The board proposes that the general meeting approve the Subsidiary's transfers of warrants on the following terms. The right to acquire warrants from the Subsidiary shall accrue to the following categories:

Category	Maximum number of options/person	Maximum number of options/category
Group management and sales management (maximum 15 people)	100,000	350,000
Group management and sales management (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 notification period, have not resigned or been dismissed.

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

Transfer to participants presupposes that acquisition of the warrants can legally take place, and that, according to the board's assessment, it can take place with reasonable administrative and financial efforts.

## Registration and allocation

If warrants within a certain category remain after all notifications within the category have been satisfied, the remaining number must be able to be allocated to participants in another category, whereby the board must determine the distribution based on category affiliation, staff category and notified number of warrants. However, such 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 allocation.

## Price and payment etc

The warrants must be transferred on market terms at a price (premium) determined based on a calculated market value for 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 notification period, the new market price must be determined accordingly. A preliminary calculation of the warrants' market value, taking current circumstances into account, shows a market value per warrant of SEK 2.55.

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

## More information about the warrant program

### **Dilution**

In the case of full new subscription with the support of all warrants, 500,000 new shares can be issued, which corresponds to a dilution of approximately 1.5 percent of the total number of shares and votes in the company, subject, however, to possible recalculation according to the warrant conditions and taking into account already outstanding warrants.

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

The company's profit per share is not affected when the warrants are issued, as the present value of the warrants' exercise price will exceed the current market value of the share at the time of the transfer to employees.

The warrant program will only entail 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 general meeting. Apart from the officials who prepared the question according to instructions from the board, no employee who may be covered by the program has participated in the design of the terms and conditions.

## Instruction to the board

The board proposes that the meeting instructs the board of the company to implement the decision as above and to ensure that the board of the Subsidiary carries out transfers of warrants as above.

For decisions as above, assistance is required from shareholders who represent at least 9/10 of both the votes cast and the shares represented at the meeting

### **Other share-related incentive programs etc. (common information for items 15 and 16)**

In addition to the now proposed incentive programs, there are currently four outstanding option programs. All programs are mostly aimed at the external distributor organization in the group, but also with some allocation to employees at the company.

The first option program includes 800,000 warrants at an exercise price of SEK 18 per B share which expires on 2024-05-31, of which 50,000 were subscribed by the management team in the group. Other warrants in the program have been subscribed by the company's external distributors. As of the date of this call, 469,100 warrants have already been exercised for share subscription within the framework of this warrant program.

The second option program includes 1,000,000 warrants at an exercise price of SEK 45 per B share which expires on 2025-05-31, of which 220,000 were subscribed by the management team in the group, 51,000 by key employees and 22,100 by other personnel in the group. Other warrants in the program have been subscribed 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 warrant program

Two new option programs were decided at the company's annual general meeting on 05/31/2022. The first includes 900,000 warrants at an exercise price of SEK 56 per B share expiring on 2027-05-31, of which 200,000 were signed by key people in the external sales organization, 90,000 were signed by the management team, and 165,000 by key employees in the company.

The second option program comprises 120,000 warrants at an exercise price of SEK 56 per B share which expires on 31/05/2027. The program is aimed solely at the board of Zinzino AB and as of the reporting date, 100,000 warrants have been subscribed, of which 40,000 by the chairman of the board and 20,000 by the board's other members, fully in accordance with the general meeting's decision.

If all outstanding warrants as above are used for new subscriptions, a total of 2,314,867 B shares will be issued, which corresponds to a total dilution of the share capital amounting to a total of approximately 6.5%.