

*N.B. The English language version of these minutes is an unofficial translation. In case of any discrepancy between the English and Swedish language versions, the Swedish language version shall prevail.*

Minutes from the annual general meeting of Sedana Medical AB (publ), reg. no. 556670-2519, held on 19 May 2020 at 4:00 p.m. (CEST) at Konferens Spårvagnshallarna in Stockholm

**1. OPENING OF THE MEETING AND ELECTION OF CHAIRMAN OF THE MEETING**

The meeting was declared open by Thomas Eklund, chairman of the board of directors.

Thomas Eklund was elected chairman of the meeting. It was recorded that Linnea Björkstrand from Advokatfirman Delphi had been appointed to keep the minutes of the meeting.

**2. PREPARATION AND APPROVAL OF THE VOTING LIST**

A list of present shareholders, proxies and assistants was prepared in accordance with Schedule 1. The list was approved as voting list for the meeting.

**3. ELECTION OF ONE OR TWO PERSONS TO APPROVE THE MINUTES OF THE MEETING**

It was resolved that today's minutes were to be verified by one person in addition to the chairman, whereupon it was resolved to appoint Oscar Norrfalk, representing Parvest Equity Nordic Small Cap, as such person.

**4. DETERMINATION OF WHETHER THE MEETING HAS BEEN DULY CONVENED**

It was recorded that a notice of the meeting had, in accordance with the provisions of the articles of association and the Swedish Companies Act, been published on the company's website on 16 April 2020 and in the Official Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) as well as announced in Dagens Industri on 20 April 2020. The meeting was therefore declared duly convened.

**5. APPROVAL OF THE AGENDA**

The meeting approved the proposed agenda.

**6. PRESENTATION OF THE ANNUAL REPORT AND THE AUDITOR'S REPORT AS WELL AS THE CONSOLIDATED ACCOUNTS AND THE AUDITOR'S REPORT ON THE CONSOLIDATED ACCOUNTS**

The company's annual report and auditor's report as well as the consolidated accounts and the auditor's report on the consolidated accounts for the financial year 2019 were presented.

**7. RESOLUTION IN RESPECT OF ADOPTION OF THE PROFIT AND LOSS STATEMENT AND THE BALANCE SHEET AS WELL AS THE CONSOLIDATED PROFIT AND LOSS STATEMENT AND THE CONSOLIDATED BALANCE SHEET**

The meeting resolved to adopt the profit and loss statement and balance sheet as well as the consolidated profit and loss statement and consolidated balance sheet included in the annual report.

**8. RESOLUTION IN RESPECT OF ALLOCATION OF THE COMPANY'S PROFITS ACCORDING TO THE ADOPTED BALANCE SHEET**

The meeting resolved, in accordance with the board of directors' proposal and the auditor's recommendation, that the company's accumulated profits should be carried forward in new account and that no dividend shall be paid for the financial year 2019.

**9. RESOLUTION IN RESPECT OF DISCHARGE FROM LIABILITY FOR THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO**

The meeting resolved to discharge the members of the board of directors and the CEO from liability for the previous financial year.

It was recorded that board members and the CEO, insofar as they were recorded in the voting list as shareholders or proxies for shareholders in the company, did not participate in the resolution in relation to themselves and that no one voted against the resolution.

**10. DETERMINATION OF FEES PAYABLE TO THE BOARD OF DIRECTORS AND THE AUDITOR**

The nomination committee's resolution proposal regarding fees payable to the board of directors and the auditor was presented.

The meeting resolved, in accordance with the nomination committee's proposal, that:

- fees payable to the members of the board of directors shall amount to a total of SEK 1,000,000, of which SEK 400,000 shall be paid to the chairman of the board of directors, SEK 100,000 shall be paid to each of the board members Sten Gibeck, Bengt Julander and Ola Magnusson (who are also major shareholders in the company), and SEK 150,000 shall be paid to each of the other board members elected by the general meeting;
- fees payable for work in the audit committee of the board of directors, which is under establishment, shall amount to SEK 25,000 for the chairman of the committee and to SEK 12,500 for each of the other members of the committee; and
- that fees payable to the auditor shall be paid in accordance with approved invoices within the frames of the quote.

**11. DETERMINATION OF THE NUMBER OF ORDINARY BOARD MEMBERS, AUDITORS AND DEPUTIES, AS APPLICABLE**

The nomination committee's resolution proposal regarding the number of ordinary board members, auditors and deputies, as applicable, was presented.

The meeting resolved, in accordance with the nomination committee's proposal, that the board of directors shall, until the end of the next annual general meeting, consist of six

ordinary members without deputy members and that a registered audit company shall be appointed as auditor.

**12. ELECTION OF BOARD MEMBERS, AUDITOR AND DEPUTIES, AS APPLICABLE**

The nomination committee's resolution proposal regarding election of board members, auditor and deputies, as applicable, was presented.

The meeting resolved, in accordance with the nomination committee's proposal, to re-elect Thomas Eklund, Bengt Julander, Eva Walde, Ola Magnusson and Sten Gibeck and to newly elect Christoffer Rosenblad as ordinary board members in the company, as well as to re-elect Thomas Eklund as chairman of the board of directors, for the period until the end of the next annual general meeting.

Furthermore, the meeting resolved, in accordance with the nomination committee's proposal, to newly elect the registered auditing firm Öhrlings PricewaterhouseCoopers AB as auditor for the period until the end of the next annual general meeting. It was recorded that the chartered accountant Leonard Daun will be appointed as principal auditor of the company.

**13. RESOLUTION ON AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE NEW SHARES**

The board of directors' resolution proposal regarding an authorisation for the board of directors to issue new shares was presented, Schedule 2.

The meeting resolved, in accordance with the board of directors' proposal, to authorise the board of directors to issue new shares.

It was recorded that the resolution was adopted with the required majority.

**14. RESOLUTION ON AMENDMENT OF THE ARTICLES OF ASSOCIATION**

The board of directors' proposed resolution regarding amendment of the articles of association was presented, Schedule 3.

The meeting resolved, in accordance with the board of directors' proposal, to amend the articles of association.

It was recorded that the resolution was unanimous.

**15. RESOLUTION ON INCENTIVE PROGRAMME 2020/2023 FOR CO-WORKERS BY WAY OF DIRECTED ISSUE OF WARRANTS TO A SUBSIDIARY FOR SUBSEQUENT TRANSFER TO PARTICIPANTS, INCLUDING:**

- A) RESOLUTION ON AN ISSUE OF WARRANTS TO SEDANA MEDICAL INCENTIVE AB;**
- B) RESOLUTION ON APPROVAL OF A TRANSFER OF WARRANTS TO PARTICIPANTS; AND**
- C) INFORMATION REGARDING THE PREPARATION OF THE BOARD OF DIRECTORS' PROPOSAL, COSTS FOR THE PROGRAMME, OTHER OUTSTANDING SHARE RELATED INCENTIVE PROGRAMMES, DILUTION ETC.**

The board of directors' resolution proposal regarding incentive programme 2020/2023 was presented, Schedule 4.

The meeting resolved, in accordance with the board of directors' proposal, to adopt incentive programme 2020/2023 by way of resolution on A) an issue of warrants to Sedana Medical Incentive AB as well as B) resolution on approval of a transfer of warrants to participants.

It was recorded that resolutions under items 15 A) and 15 B) were adopted with the required majority.

**16. RESOLUTION ON INCENTIVE PROGRAMME 2020/2024 FOR CURRENT AND NEW CO-WORKERS BY WAY OF DIRECTED ISSUE OF WARRANTS TO A SUBSIDIARY FOR SUBSEQUENT TRANSFER TO PARTICIPANTS, INCLUDING:**

**A) RESOLUTION ON AN ISSUE OF WARRANTS TO SEDANA MEDICAL INCENTIVE AB;**

**B) RESOLUTION ON APPROVAL OF A TRANSFER OF WARRANTS TO PARTICIPANTS; AND**

**C) INFORMATION REGARDING THE PREPARATION OF THE BOARD OF DIRECTORS' PROPOSAL, COSTS FOR THE PROGRAMME, OTHER OUTSTANDING SHARE RELATED INCENTIVE PROGRAMMES, DILUTION ETC.**

The board of directors' resolution proposal regarding incentive programme 2020/2024 was presented, Schedule 5.

The meeting resolved, in accordance with the board of directors' proposal, to adopt incentive programme 2020/2024 by way of resolution on A) an issue of warrants to Sedana Medical Incentive AB as well as B) resolution on approval of a transfer of warrants to participants.

It was recorded that resolutions under items 16 A) and 16 B) were adopted with the required majority.

**17. CLOSING OF THE MEETING**

The meeting was declared closed.

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**VOTING LIST**

Please see the following page.

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## **The board of directors' complete resolution proposal on an authorisation for the board of directors to issue new shares (item 13)**

The board of directors of Sedana Medical AB (publ), reg.no. 556670-2519, proposes that the annual general meeting resolves on an authorisation for the board of directors to, at one or more occasions during the period until the next annual general meeting, with or without deviation from the shareholders' preferential rights, resolve on new share issues. The number of shares issued by exercise of the authorisation may not exceed 10% of the total number of shares outstanding in the company as of the date of the annual general meeting. A new issue may be made with or without stipulations regarding non-cash consideration, set-off or other conditions referred to in Chapter 13, Section 5, first paragraph, item 6 of the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*). The objective of the authorisation is to provide the board of directors with flexibility in its work to ensure that the company can procure capital for the financing of the operations in an appropriate manner, to enable business or company acquisitions and to enable a broadening of the company's shareholder base.

The chairman of the board of directors, the CEO, or anyone appointed by either of them, shall be entitled to make such minor adjustments to the resolution as may be required in connection with the registration of the resolution with the Swedish Companies Registration Office (*Sw. Bolagsverket*).

A valid resolution requires that this proposal is supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the meeting.

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## The board of director's resolution proposal on amendment of the articles of association (item 14)

The board of directors of Sedana Medical AB (publ), reg.no. 556670-2519, proposes that the annual general meeting resolves to amend the articles of association in accordance with the proposal set out below. The proposed articles of association in full, illustrating the proposed changes, is attached as [Appendix A](#).

### Current wording

#### § 1 Name of the company (Sw. *firma*)

The name of the company (Sw. *firma*) is Sedana Medical AB (publ).

#### § 6 Board of directors

The board of directors shall consist of not less than three (3) and not more than six (6) members with not more than three (3) deputy members. The members are to be elected annually at the annual general meeting until the end of the next annual general meeting.

#### § 7 Auditors

The company shall have a minimum of one (1) and a maximum of two (2) auditors, with a maximum of two (2) deputy auditors.

#### § 9 Notice of general meeting

Notices of general meetings shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens industri that a notice has been made.

Shareholders wishing to participate in general meetings must be listed as shareholder in a printout or other presentation of the entire share register reflecting the circumstances five weekdays before the general meeting and notify the company no later than the date specified in the notice of the general meeting. The last mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.

The proposed amendment of § 1 is made due to changes in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The proposed amendment of § 6 is made with the purpose of adjusting the articles of association in accordance with the Swedish Code of Corporate Governance ("**Code**"), in the event that the company should undertake to comply with the Code in connection with a potential future listing on Nasdaq Stockholm. The proposed amendment of § 7 is an editorial clarification and is made by reason of to the nomination committee's proposal that a registered accounting firm is appointed as auditor. The proposed amendments in § 9 is made due to future changes of certain rules regarding record dates in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

The chairman of the board of directors, the CEO, or anyone appointed by either of them shall be entitled to make such minor adjustments to the resolution as may be required in connection with the registration of the resolution with the Swedish Companies Registration Office (Sw. *Bolagsverket*).

### Proposed wording

#### § 1 Name of the company (Sw. *företagsnamn*)

The name of the company (Sw. *företagsnamn*) is Sedana Medical AB (publ).

#### § 6 Board of directors

The board of directors shall consist of not less than three (3) and not more than six (6) members. The members are to be elected annually at the annual general meeting until the end of the next annual general meeting.

#### § 7 Auditors

The company shall have a minimum of one (1) and a maximum of two (2) auditors, with a maximum of two (2) deputy auditors. *A registered accounting firm may also be appointed as auditor.*

#### § 9 Notice of general meeting

Notices of general meetings shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens industri that a notice has been made.

Shareholders wishing to participate *at a general meeting shall notify the company no later than the date specified in the notice of the general meeting. Such date* may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.

A valid resolution requires that this proposal is supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the meeting.

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**BOLAGSORDNING FÖR SEDANA MEDICAL AB (PUBL)**  
**ARTICLES OF ASSOCIATION OF SEDANA MEDICAL AB (PUBL)**

Org.nr 556670-2519  
Reg. no. 556670-2519

Antagen på årsstämma den 19 maj ~~2017~~2020  
*Adopted at the annual general meeting held on 19 May ~~2017~~2020*

**§ 1 ~~Firma~~Företagsnamn**  
***Name of the company***

Bolagets ~~firma~~företagsnamn är Sedana Medical AB (publ).  
*The name of the company is Sedana Medical AB (publ).*

**§ 2 Styrelsens säte**  
***Registered office of the board of directors***

Styrelsen ska ha sitt säte i Danderyds kommun.  
*The registered office of the company shall be situated in the municipality of Danderyd.*

**§ 3 Verksamhet**  
***Object of the company's activities***

Bolaget har till föremål för sin verksamhet att utveckla, tillverka och marknadsföra läkemedel och medicinsk-tekniska produkter, samt idka därmed förenlig verksamhet.  
*The object of the company's activities is to develop, manufacture and market pharmaceuticals and medical-technical products, and other activities compatible therewith.*

**§ 4 Aktiekapital**  
***Share capital***

Aktiekapitalet ska vara lägst 800 000 kronor och högst 3 200 000 kronor.  
*The share capital shall be not less than SEK 800,000 and not more than SEK 3,200,000.*

**§ 5 Antal aktier**  
***Number of shares***

Antalet aktier ska vara lägst 8 000 000 och högst 32 000 000.  
*The number of shares shall be not less than 8,000,000 and not more than 32,000,000.*

## § 6 Styrelse *Board of directors*

Styrelsen ska bestå av lägst tre (3) och högst sex (6) styrelseledamöter ~~med högst tre (3) suppleanter~~. Dessa väljs årligen på årsstämman för tiden intill slutet av nästa årsstämma.  
*The board of directors shall consist of not less than three (3) and not more than six (6) ~~members with not more than three (3) deputy~~ members. The members are to be elected annually at the annual general meeting until the end of the next annual general meeting.*

## § 7 Revisorer *Auditors*

Bolaget ska ha lägst en (1) och högst två (2) revisorer och högst två (2) revisorssuppleanter. [Till revisor kan även utses ett registrerat revisionsbolag.](#)

*The company shall have a minimum of one (1) and a maximum of two (2) auditors, with a maximum of two (2) deputy auditors. [A registered accounting firm may also be appointed as auditor.](#)*

## § 8 Ort för bolagsstämma *Place of general meetings*

Bolagsstämma i bolaget ska hållas i Danderyd eller Stockholm.  
*Any general meeting in the Company shall be held in Danderyd or Stockholm.*

## § 9 Kallelse till bolagsstämma *Notice of general meeting*

Kallelse till bolagsstämma ska ske genom annonsering i Post- och Inrikes Tidningar samt genom att kallelsen hålls tillgänglig på bolagets webbplats. Vid tidpunkten för kallelse ska information om att kallelse skett annonseras i Dagens industri.  
*Notices of general meetings shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens industri that a notice has been made.*

Aktieägare som vill delta i förhandlingarna vid bolagsstämma ska ~~dels vara upptagen som aktieägare i utskrift eller annan framställning av hela aktieboken avseende förhållandena fem vardagar före stämman, dels~~ göra anmälan till bolaget senast den dag som anges i kallelsen till stämman. ~~Sistnämnda~~ Denna dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före stämman. Aktieägare får ha med sig biträden vid bolagsstämman endast om han eller hon anmäler antalet biträden till bolaget i enlighet med det förfarande som gäller för aktieägares anmälan till bolagsstämma.

*Shareholders wishing to participate ~~in general meetings must be listed as shareholder in a printout or other presentation of the entire share register reflecting the circumstances five weekdays before the~~ at a general meeting ~~and shall~~ notify the company no later than the date specified in the notice of the general meeting. ~~The last mentioned~~ Such date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.*

## § 10 Årsstämma *Annual general meeting*

På årsstämma ska följande ärenden förekomma:

*The following matters shall be addressed at the annual general meeting:*

1. Val av ordförande vid stämman  
*Election of chairman of the meeting*
2. Upprättande och godkännande av röstlängd  
*Preparation and approval of the voting register*
3. Val av en eller två justeringsmän  
*Election of one or two persons to attest the minutes*
4. Prövande av om stämman blivit behörigen sammankallad  
*Determination of whether the meeting has been duly convened*
5. Godkännande av dagordning  
*Approval of the agenda*
6. Framläggande av årsredovisning och revisionsberättelse samt, i förekommande fall, koncernredovisningen och koncernrevisionsberättelsen  
*Presentation of the annual report and auditor's report and, where applicable, the consolidated financial statements and the auditor's report on the group*
7. Beslut om:  
*Resolutions regarding:*
  - (a) fastställande av balans- och resultaträkning samt i förekommande fall koncernbalansräkning och koncernresultaträkning  
*adoption of the balance sheet and income statement and, where applicable, the consolidated balance sheet and the consolidated income statement*
  - (b) disposition av bolagets vinst eller förlust enligt den fastställda balansräkningen  
*allocation of the company's profit or loss according to the adopted balance sheet*
  - (c) ansvarsfrihet för styrelseledamöter och verkställande direktören  
*discharge from liability for board members and the managing director*
8. Fastställande av arvoden till styrelse och revisor  
*Determination of fees to be paid to the board of directors and the auditors*
9. Fastställande av antalet styrelseledamöter och eventuella styrelsesuppleanter samt antalet revisorer och eventuella revisorssuppleanter  
*Determination of the number of board members and, where applicable, deputy members, and the number of auditors and, where applicable, deputy auditors*
10. Val av styrelse och val av revisor  
*Election of the board of directors and auditors*
11. Annat ärende, som ankommer på stämman enligt aktiebolagslagen eller bolagsordningen  
*Any other business incumbent on the meeting according to the Swedish Companies Act or the articles of association*

**§ 11 Räkenskapsår**  
***Financial year***

Bolagets räkenskapsår ska vara 1 januari - 31 december.  
*The company's financial year shall be 1 January - 31 December.*

**§ 12 Avstämningsförbehåll**  
***CSD clause***

Bolagets aktier ska vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument.  
*The shares of the company shall be registered in a CSD register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument).*

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## The board of directors' complete resolution proposal regarding incentive programme 2020/2023 for co-workers by way of directed issue of warrants to a subsidiary for subsequent transfer to participants (item 15)

The board of directors of Sedana Medical AB (publ), reg. no. 556670-2519, (the "**Company**") proposes that the annual general meeting on 19 May 2020 resolves to establish a long-term incentive programme ("**Incentive Programme 2020/2023**") by way of an issue of warrants to Sedana Medical Incentive AB, reg. no. 559109-8826, (the "**Subsidiary**") for subsequent transfer to employees and consultants (jointly "**Co-workers**") of the Company and the Group (as defined below) in accordance with what is set out in this proposal.

### **Background and objectives**

The objectives of the proposal is to establish conditions to recruit and maintain qualified personnel in the Group and to increase the motivation of the Co-workers of the Group, by reaching an increased community of interest between the Co-workers and the shareholders of the Company. The board of directors finds that it is in all shareholders' interests that the Company's Co-workers have a long term interest in a positive price development of the Company's shares. A long-term ownership engagement is expected to stimulate an increased interest for the business and the earnings as a whole and is expected to increase motivation for the participants in Incentive Programme 2020/2023.

Co-workers of the Company, including the Company's branch in Spain, as well as of the Company's subsidiaries in the United Kingdom, Ireland, Germany, Norway, France and the Netherlands (jointly the "**Group**") may be offered to participate in Incentive Programme 2020/2023.

Resolutions in accordance with items 15A and 15B below are conditional upon each other. As items 15A and 15B are governed by the provisions in Chapter 16 of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), valid resolutions require that the proposals are supported by at least nine-tenths of the votes cast as well as of all shares represented at the meeting.

Information regarding the preparation of the proposal, costs for the programme, other incentive programmes in the Company, dilution etc. are presented in item 15C below.

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## The board of directors' resolution proposal on an issue of warrants 2020/2023 to Sedana Medical Incentive AB (item 15A)

The board of directors of the Company proposes that the annual general meeting resolves upon an issue of not more than 325,000 warrants of series 2020/2023, which upon exercise may result in an increase in the share capital of the Company of not more than SEK 32,500.00. The warrants shall entitle to subscription of new shares in the Company. For the issue of warrants, the following terms shall apply.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only vest in the Subsidiary, with a right and obligation to, at one or several occasions, transfer the warrants to Co-workers of the Company in accordance with instructions from the board of directors of the Company and otherwise in accordance with the terms and conditions and guidelines specified in item 15B below.
2. The warrants shall be subscribed for by the Subsidiary no later than on 20 May 2020 on a separate subscription list, with a right for the board of directors of the Company to extend the subscription period.
3. The warrants shall be subscribed for without any consideration paid.
4. Each warrant entitles to subscription of one (1) new share in the Company during the period from and including 1 June 2023 until and including 30 September 2023, or until such earlier date as is set out in items 8 k)-m) of the complete terms and conditions for the warrants (Schedule A), at a subscription price corresponding to 140% of the volume weighted average price of the Company's share on Nasdaq First North Growth Market during the period from and including 20 April 2020 until and including 19 May 2020. The calculated subscription price shall be rounded off to the nearest whole SEK 0.01, whereupon SEK 0.005 shall be rounded to SEK 0.01. The subscription price may not be set to an amount below the quota value of the share.
5. A new share which is subscribed by exercise of a warrant shall entitle to participation in the distribution of profits for the first time on the nearest record date occurring after the new share has been recorded in the share register kept by Euroclear Sweden AB.
6. The complete terms and conditions for the warrants are set out in Schedule A and include, inter alia, customary conditions regarding re-calculation, which inter alia imply that the subscription price as well as the number of shares a warrant entitles to subscription of may be re-calculated in certain cases.

The reason for the issue of warrants and for the deviation from the shareholders' preferential rights is to implement Incentive Programme 2020/2023 (for more information, please see the heading "Background and objectives" above).

The chairman of the board of directors, or a person appointed by him, shall be authorized to make such minor adjustments to the resolution that may be required in connection with the registration of the resolution with the Swedish Companies Registration Office.

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## The board of directors' resolution proposal on approval of a transfer of warrants to participants (item 15B)

The board of directors of the Company proposes that the annual general meeting resolves to approve that the Subsidiary may transfer not more than 325,000 warrants 2020/2023 in the Company to Co-workers of the Group, or otherwise dispose of the warrants in order to fulfil the Company's and the Subsidiary's obligations by reason of Incentive Programme 2020/2023, on the following terms and conditions.

1. Co-workers of the Group (employees as well as consultants) will, within the framework of Incentive Programme 2020/2023, be offered to acquire warrants after a division between three different categories, as set out below.
  - A. Members of the Group management (not more than six Co-workers): a maximum of between 30,000 and 50,000 warrants per Co-worker.
  - B. Other senior key persons and specialists (not more than approximately four Co-workers): a maximum of 15,000 warrants per Co-worker.
  - C. Certain other Co-workers (not more than approximately 15 Co-workers): a maximum of 5,000 warrants per Co-worker.
2. A precondition in order for a Co-worker to be entitled to participate in Incentive Programme 2020/2023 is that such person has commenced its employment in the Company or the Group no later than the 20 May 2020 or, as regards consultants, that a consulting engagement has commenced no later than the mentioned date. Co-workers may neither, in order to be entitled to participate in Incentive Programme 2020/2023, have terminated their employment/assignment, or been given notice of dismissal, as of 20 May 2020.
3. A further precondition for being entitled to participate in Incentive Programme 2020/2023 is that participants, in an agreement entered into with the Subsidiary, undertakes to sell back acquired warrants to the Subsidiary if the participant's employment in or engagement with the Group ceases before three years have passed from the day of transfer of the warrants to the participant. The number of warrants a participant will be obliged to sell back to the Subsidiary will decrease gradually by approximately 33% per year (i.e. after one, two and three years, respectively, from the time of transfer of the warrants to the participant), provided that the participant is still employed or engaged as a consultant in the Group on said dates, and with reservation for certain conditions according to which a participant may, under certain circumstances, be obliged to sell back all held warrants to the Subsidiary if there is a cause (*Sw. saklig grund*) for termination of the employment/consulting engagement. If the employment/consulting engagement is terminated due to disease or injury, or redundancy (*Sw. arbetsbrist*) as regards employment, the participant may however be entitled to keep all originally acquired warrants. The warrant holder agreement that will be entered into between the Subsidiary and participants will also contain certain transfer restrictions and other terms and conditions which are customary for such agreements.
4. In case of over-subscription from persons offered to acquire warrants, whereby the total number of warrants that Co-workers wish to acquire exceeds the total number of issued warrants 2020/2023, allotment shall at first hand be made proportionally in relation to the number of warrants subscribed for and at second hand by the drawing of lots to be conducted by the Company.
5. Transfer of warrants to participants in Incentive Programme 2020/2023 shall be made at a price corresponding to the market value of the warrants as of the date of the transfer, which shall be calculated by use of the Black & Scholes valuation formula by an independent valuation agent. For more information about the valuation, see the heading "Valuation" under item 15C below.

6. Notification of interest for acquisition of warrants shall be made during the period from and including around 20 April 2020 up to and including 19 May 2020. The warrants shall thereafter, provided that the general meeting resolves in accordance with this item 15B and item 15A above, be transferred to the participants around 20 May 2020, whereupon payment shall be made within approximately a week. The board of directors of the Company shall however be entitled to prolong or delay the notification period and the period for transfer of and payment for warrants. The transfers shall, however, have been effected no later than 15 June 2020.
7. Warrants which have not been transferred to Co-workers within the framework of Incentive Programme 2020/2023 by 15 June 2020 shall be cancelled.
8. A precondition for transfers of warrants within the framework of Incentive Programme 2020/2023 is that such transfers may be lawfully made and that transfers, according to the board of directors' assessment, may be effected with reasonable administrative costs and economic contributions.

For information about the preparation of the board of directors' resolution proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc., see item 15C below.

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## Information regarding the preparation of the board of directors' proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc. (item 15C)

### Preparation of the proposal

The board of directors' resolution proposal for Incentive Programme 2020/2023 has been prepared by the board of directors of the Company together with external advisers.

### Valuation

Transfer of warrants 2020/2023 shall be made at a price corresponding to the market value of the warrants at the time of transfer. The market value of the warrants will be finally settled by an independent valuation agent at the time of the transfer of the warrants to the participants in Incentive Programme 2020/2023, by use of the Black & Scholes valuation formula.

According to a preliminary valuation made by the independent valuation institute, the market value of the warrants will amount to approximately SEK 31.45 per warrant, under the assumption that (i) the warrants will be transferred to participants on 20 May 2020, (ii) that the volume weighted average payment rate for the company's share on Nasdaq First North Growth Market during the period 20 April 2020–19 May 2020 will amount to SEK 160.9 (the "**Comparison Rate**"), whereby the subscription price per share upon exercise of a warrant will amount to SEK 225.3, i.e. corresponding to 140% of the Comparison Rate, (iii) a risk free interest rate during the term of the warrants of -0.32%, (iv) an estimated volatility for the company's share during the term of the warrants of 43% and (v) that no dividends or other value transfers (Sw. värdeöverföringar) will be made during the term of the warrants.

### Costs and effects on key performance measure

As the warrants are transferred at the assessed market value at the time of transfer, determined by an independent valuation agent, the board of directors assesses that there will be no social security costs for the Company as a result of Incentive Programme 2020/2023. Incentive Programme 2020/2023 is therefore estimated to give rise only to limited costs in relation to the implementation and administration of the incentive programme, including, inter alia, fees to external advisers and the valuation agent.

Provided that the assessed market value for each warrant 2020/2023 will amount to SEK 31.45 at the time of transfer to participants in Incentive Programme 2020/2023, the Group may further be contributed with a total of approximately SEK 10.2 million in the form of cash payments for warrants acquired (assuming full subscription in the incentive programme). In case of exercise of warrants 2020/2023 for subscription of shares at the end of the term of the warrants, provided that the subscription price for each share is SEK 225.3, the company may further be contributed with issue proceeds amounting to a total of up to approximately SEK 73.2 million in 2023 (assuming that all 325,000 warrants 2020/2023 will be exercised for subscription of shares).

Dilution, if any, which Incentive Programme 2020/2023 may result in, will affect the Company's earnings per share. For more information about dilutive effects, see the heading "Dilution" below.

### Participation of board members

No board members of the Company will be offered to participate in Incentive Programme 2020/2023.

### Other outstanding warrants and share based incentive programmes

At the annual general meeting in the Company held on 19 May 2017 it was resolved to adopt a warrant based incentive programme 2017/2021, intended for certain senior executives in the Company. In total, 310,149 warrants 2017/2021 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive program. All of

the issued warrants were subsequently transferred to the CEO, CFO and CMO of the Company. Each warrant 2017/2021 entitles to subscription for one new share in the Company during the period 15 May 2020–31 January 2021 at a subscription price of SEK 25.35 per share (corresponding to 130% of the introductory subscription price in the new share issue which was made in connection to the listing of the Company's share on Nasdaq First North Growth Market in 2017). Assuming that all currently outstanding warrants 2017/2021 are exercised for subscription of new shares in the Company, the Company's share capital will increase by SEK 31,014.90 divided between 310,149 shares.

At the annual general meeting in the Company held on 28 May 2019 it was resolved to adopt a warrant based incentive programme 2019/2022, intended for senior executives, senior key persons and specialists as well as other co-workers in the Company and the Group. In total, 370,000 warrants 2019/2022 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive programme. In total, 84,403 warrants 2019/2022 were transferred to participants in the incentive programme during June and August 2019. The remaining 285,597 warrants 2019/2022 which were not transferred to participants in the incentive programme have been cancelled. Each warrant 2019/2022 entitles to subscription of one new share in the Company during the period 1 July–30 November 2022 at a subscription price of SEK 142.23 per share (corresponding to 130% of the volume weighted average price of the Company's share on Nasdaq First North Growth Market during the period 12 May–12 June 2019). Assuming that all currently outstanding warrants 2019/2022 are exercised for subscription of new shares in the Company, the Company's share capital will increase by SEK 8,440.3 divided between 84,403 new shares.

The board of directors of the Company has proposed that the annual general meeting 2020 resolves to adopt another warrant based incentive programme, incentive programme 2020/2024, intended for current *and new* members of management, senior key persons and specialists as well as other selected co-workers of the Company and the Group. The board of directors has proposed that 360,000 warrants 2020/2024 shall be issued to the Company's subsidiary, Sedana Medical Incentive AB, for subsequent transfer to current Co-workers and persons who commence employment or assignment within the Group during the period 21 May 2020–31 January 2021. Such transfers of warrants are scheduled to take place around 31 January 2021. Each warrant 2020/2024 entitles to subscription of one new share in the Company during the period 1 February–31 May 2024 at a subscription price corresponding to 140% of the volume weighted average price for the Company's share on Nasdaq First North Growth Market during the period 1 January–30 January 2021. Provided that the annual general meeting resolves in accordance with the board of directors' proposal to adopt incentive programme 2020/2024, and that all warrants 2020/2024 are transferred to co-workers of the Group and are exercised for subscription of new shares in the Company, the Company's share capital will increase by SEK 36,000.00 divided between 360,000 new shares. For more information about the proposed incentive programme 2020/2024, see the separate resolution proposal under item 16 in the proposed agenda for the annual general meeting.

## **Dilution**

At the date of adoption of this resolution proposal, the total number of shares and votes in the Company amounts to 22,736,591.

The dilutive effect of Incentive Programme 2020/2023 is estimated to amount to a maximum of approximately 1.41% of the total number of shares and votes in the Company (based on the current number of shares and votes in the Company, disregarding outstanding warrants, and assuming full exercise of all warrants 2020/2023).

The accumulated dilutive effect of all outstanding and proposed share related incentive programmes (incentive programmes 2017/2021, 2019/2022, 2020/2023 and 2020/2024) is estimated to amount to a maximum of approximately 4.53% of the total number of shares and votes in the Company (calculated based on the current number of shares and votes in the Company, and assuming full exercise of all outstanding warrants and all warrants that may come to be issued within the framework of the proposed incentive programmes 2020/2023 and 2020/2024).

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## Terms and conditions for warrants series 2020/2023 in Sedana Medical AB (publ)

### 1. Definitions

For the purposes of these terms and conditions, the following terms shall have the meanings as stated below.

“Share”	a share in the Company with a present quotient value of SEK 0.10;
“Business Day”	a day which in Sweden is not a Sunday or other public holiday or which, with regard to payments of debt instruments, is not equated with a public holiday;
“the Company”	Sedana Medical AB (publ), reg. no. 556670-2519;
“Euroclear”	Euroclear Sweden AB (reg. no 556112-8074);
“the Institute”	the bank or account operator that the Company uses for actions related to the Warrants, as applicable;
“Warrant Holder”	the holder of a Warrant;
“Subscription”	subscription for new Shares as provided for in Chapter 14 of the Swedish Companies Act;
“Exercise Price”	the price at which Subscription for the new Shares may take place through exercise of Warrants in accordance with these terms and conditions;
“Warrant”	the right to subscribe for one (1) new Share in the Company against cash payment according to these terms and conditions.

### 2. Warrants and warrant certificates

The total number of Warrants shall amount to not more than 325,000.

The Company shall keep a register of holders of Warrants. The Company shall further, upon request from a Warrant Holder, issue warrant certificates issued for a certain person or order representing one (1) Warrant or multiples thereof. The Company shall also upon request effectuate exchanges and conversions of warrant certificates in connection with ownership transfers or when otherwise required.

The Company’s board of directors is entitled to resolve that the Warrants shall be registered with Euroclear in a securities register pursuant to the Central Securities Depositories and Swedish Financial Instruments Accounts Act (1998:1479). In case such a resolution is not passed, what is stated in paragraphs four to seven in this Section 2 shall not apply. In case such a resolution is passed, what is stated in paragraphs four to seven in this Section 2 shall apply instead of what is stated in the second paragraph above.

In case warrant certificates have been issued relating to Warrants, a Warrant Holder shall, upon the Company’s request, be obliged to immediately submit to the Company or Euroclear all warrant certificates representing Warrants and furnish the Company with necessary information regarding the securities account on which the Warrant Holder’s Warrants shall be registered in accordance with the below.

The Warrants shall be registered by Euroclear in a securities register pursuant to the Central Securities Depositories and Swedish Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*)) and consequently no physical warrant certificates will be issued thereafter.

The Warrants shall be registered on an account in the Company's Central Securities Depository register, on behalf of the Warrant Holder. Registrations relating to the Warrants shall be made by the Institute.

In the event that the Company's board of directors has passed a resolution to register the Warrants in a securities register with Euroclear as set out above, the board of directors will be free to resolve, within the restrictions that may follow from law or other regulations, that the Warrants shall no longer be registered by Euroclear in a securities register. If such a resolution is passed, what is stated in the second paragraph above under this item 2 shall apply instead of what is stated in the fourth to sixth paragraphs.

### **3. The Right to Subscribe and Exercise Price**

Each Warrant entitles the Warrant Holder to subscribe for one (1) new share in the Company at an Exercise Price corresponding to 140% of the volume weighted average price of the Company's share on Nasdaq First North Growth Market during the period from and including 20 April 2020 until and including 19 May 2020. The Exercise Price thus calculated shall be rounded off to the nearest whole hundredth SEK, whereupon SEK 0.005 shall be rounded-off to SEK 0.01. The Exercise Price may never be set below the quotient value of the Company's shares.

Recalculation of the Exercise Price as well as of the number of Shares that each Warrant entitles the Warrant Holder to subscribe for can also be made as set forth in Section 8 below. Subscription can only be made in relation to the number of whole Shares to which the total number of Warrants entitles, i.e. part of a Share cannot be subscribed for.

The Company undertakes that each Warrant Holder is given the right to subscribe for Shares in the Company against cash payment according to the terms and conditions below.

In the event of a dispute concerning redemption of minority Shares in accordance with Chapter 22 Section 26 paragraph 2 of the Swedish Companies Act, Subscription may not be made until the dispute has been finally settled. However, if the subscription period under the Section 4 below will expire before then or within three months thereafter, the Warrant Holder shall be entitled to exercise the Warrant during three months after the judgment became final.

### **4. Notification of Subscription**

Notification of Subscription of Shares by the exercise of Warrants may be made during the period from and including 1 June 2023 until and including 30 September 2023, or until such earlier date as is stipulated in Section 8 k)–m) below.

In order for any subscription to be executed, the warrant holder shall submit to the Company a written notification indicating the number of Shares subject to application for subscription as well as, if such have been issued, warrant certificates representing the corresponding number of warrants.

Notification of Subscription is binding and cannot be revoked by the Warrant Holder.

Where a notification of Subscription is not filed within the period set forth in the first paragraph of this Section 4, any and all rights pursuant to the Warrants shall lapse.

**5. Payment**

Following Subscription, payment for the number of Shares subscribed for shall be made immediately in cash to an account designated by the Company.

The Warrant Holder shall pay any tax or fee that may be payable in relation to the transfer, possession or exercise of the Warrants due to Swedish or foreign legislation or Swedish or foreign governmental decisions.

**6. Recording in Share Register, etc.**

The Subscription shall be exercised by an interim registration, of which the Company shall be responsible, of the Shares at a securities account. After registration at the Swedish Companies Registration Office is finalised, the registration at the securities account shall be definitive. As stated in Section 8 below, the definitive registration at the securities account is delayed in certain cases.

If the Company is not a CSD company at the time of notification of Subscription, the Subscription shall be exercised by recording the Shares in the share register as interim shares. After the registration at the Swedish Companies Registration Office is finalised, the Shares shall be recorded in the share register as shares.

**7. Dividends in respect of new Shares**

Shares which are issued following Subscription shall entitle to participation in the distribution of profits for the first time on the nearest record date occurring after the Subscription has been exercised to such extent that the new Shares have been recorded in the Company's share register kept by Euroclear Sweden AB.

If the Company is not a CSD company, the Shares shall entitle to participation in the distribution of profits for the first time at the nearest general meeting that resolves upon dividends after the Subscription has been effectuated and the new Shares have been recorded in the Company's share register.

**8. Re-calculation in certain cases**

The following shall apply with respect to the right of the Warrant Holder in different corporate situation, such as increase or decrease of the share capital or the number of Shares before the Subscription etc:

**(a) Bonus issue**

Where the Company carries out a bonus issue of Shares, Subscription shall be effected, where a notification of Subscription is made at such time that it cannot be effected on or before the fifth week day prior to the general meeting which resolves to carry out the share issue, after a resolution has been adopted by the general meeting in respect thereof. Shares which are issued as a consequence of Subscription effected after the adoption of a resolution to carry out the share issue shall be recorded on an interim basis in a securities account which means that the holders of such Shares are not entitled to participate in the issue. Final registration in a securities account shall take place after the record date for the share issue.

If the Company is not a CSD company at the time of the general meeting's resolution to carry out an issue, all Shares that has been issued as a result of the Subscription and has been recorded on an interim basis in the share register shall be entitled to participate in the issue.

In connection with Subscriptions effected after the adoption of the resolution to carry out the bonus issue, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be made by the Company according to the following formulas:

<i>re-calculated</i>	previous Exercise Price x the number of Shares prior to the bonus issue
<i>Exercise Price =</i>	<hr/> the number of Shares after the bonus issue

<i>re-calculated number of Shares</i>	previous number of Shares which the Warrant entitled the Warrant Holder to
<i>for which each Warrant</i>	subscribe for x the number of Shares after the bonus issue
<i>entitles to Subscription =</i>	<hr/> number of Shares prior to the bonus issue

The Exercise Price and the number of Shares re-calculated in accordance with the above shall be determined by the Company as soon as possible following the adoption by the general meeting of the resolution to carry out the bonus issue but shall be applied only after the record date for the share issue.

(b) Reverse share split or share split

Where the Company carries out a consolidation or a share split, subsection a) above shall apply correspondingly, in which case the record date shall be deemed to be the date on which the consolidation or share split, upon request by the Company, is effected by Euroclear.

(c) New share issue

Where the Company carries out a new issue of Shares subject to the pre-emptive rights of the shareholders to subscribe for new Shares in exchange for cash payment or payment through set-off of claims against the Company, the following shall apply:

1. Where the Board of Directors resolves to carry out the share issue contingent upon the approval of or pursuant to authorisation by the general meeting, the resolution of the share issue shall set forth the last date on which Shares issued pursuant to Subscription entitle the Warrant Holders to participate in the share issue. Such date shall not be earlier than the tenth calendar day after the Warrant Holder has been informed of resolution to issue Shares.
2. Where the general meeting resolves to carry out the share issue, Subscription, where application for Subscription is made at such time that it cannot be effected on or before the fifth week day prior to the general meeting which resolves to carry out the share issue, shall be exercised after the Company has conducted the re-calculation according to this subsection c), second last paragraph. Share that has been issued due to such subscription shall be registered on an interim basis at a securities account, meaning that they do not have the right to participate in the issue.

If the Company is not a CSD company at the time of the general meeting's resolution to carry out a share issue, all Shares that has been issued as a result of the Subscription and has been recorded on an interim basis in the share register shall be entitled to participate in the issue.

In connection with Subscriptions which are effected at such time that no right to participate in the share issue arises, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be made according to the following formulas:

$$\begin{aligned}
 & \text{previous Exercise Price} \times \text{the average market price of the Share during the} \\
 & \text{subscription period set forth in the resolution approving the issue (the} \\
 & \text{average Share price} \\
 \text{re-calculated Exercise Price} = & \frac{\text{average Share price increased by the theoretical value of the subscription right}}{\text{calculated on the basis thereof}} \\
 \\
 & \text{previous number of Shares which the Warrant entitled the Warrant Holder to} \\
 & \text{subscribe for} \times \text{(the average Share price increased by the theoretical value of} \\
 & \text{the subscription right calculated on the basis thereof} \\
 \text{re-calculated number of Shares} \\
 \text{for which each Warrant entitles} \\
 \text{to Subscription} = & \frac{\text{the average Share price}}{\text{the average Share price}}
 \end{aligned}$$

The average Share price shall be deemed to be equivalent to the average of the calculated average values, for each trading day during the subscription period, of the highest and lowest transaction price according to Nasdaq First North's official price list (or equivalent information from other organised market or multilateral trading facility (MTF)) at which the Company's share is listed or traded). In the event no transaction price is quoted, the last bid price which is quoted as the closing price for such date shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right shall be calculated according to the following formula:

$$\begin{aligned}
 & \text{the maximum number of new Shares that may be issues according} \\
 & \text{to the resolution approving the issue} \times \text{the average Share price reduced by} \\
 & \text{the Exercise Price of the new Share} \\
 \text{value of subscription right} = & \frac{\text{number of Shares prior to the adoption of the resolution approving the issue}}{\text{number of Shares prior to the adoption of the resolution approving the issue}}
 \end{aligned}$$

In the event there is a negative value arising from the above-stated calculation, the theoretical value of the subscription right shall be deemed to be zero.

The re-calculated Exercise Price and re-calculated number of Shares as set forth above shall be determined by the Company two Business Days after the expiration of the subscription period and shall apply to Subscriptions exercised thereafter.

In the event the Company's Shares are not listen or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection c) shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

For the time until the re-calculated Exercise Price and re-calculated number of Shares that each Warrant entitles Subscription for is determined, Subscription is exercised preliminary, whereby the number of Shares that each Warrant gives the right to prior to re-calculation is recorded on an interim basis in a securities account. Further, it is noted that each Warrant, after re-calculation, can give the right to additional Shares according to Section 3 above. Final registration in a securities account shall take place after the re-calculations are determined.

If the Company is not a CSD company Subscription is exercised by recording the new Shares on an interim basis in the share register. When the re-calculation is determined, the Shares shall be recorded as Shares in the share register.

(d) Issue of warrants or convertible debentures

Where the Company carries out an issue of Warrants subject to the pre-emptive rights for shareholders to subscribe –regarding the right for Shares, allotted as a consequence of exercise of Warrants, to participate in the issue, the provisions of subsection c) above shall apply.

In the event of Subscriptions which are effected at such time that no right to participate in the share issue arises, a re-calculated Exercise Price and a re-calculation of the number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be made according to the following formulas:

$$\begin{aligned} \text{re-calculated Exercise Price} &= \frac{\text{previous Exercise Price} \times \text{the average market price of the Share during the} \\ &\quad \text{subscription period set forth in the resolution approving the issue (the} \\ &\quad \text{average Share price)}}{\text{average Share price increased by the value of the subscription right}} \\ \\ \text{re-calculated number of Shares,} &\quad \text{previous number of Shares that each Warrant entitles to Subscription for} \times \\ \text{for which each Warrant entitles to} &\quad \text{the average Share price increased by the value of the Subscription} \\ \text{Subscription} &= \frac{}{\text{average Share price}} \end{aligned}$$

The average Share price shall be calculated in accordance with the provisions set forth in subsection c) above.

The value of a subscription right shall be deemed to be equivalent to the average of the calculated average values, for each trading day during the subscription period, of the highest and lowest transaction price according to Nasdaq First North's official price list (or equivalent information from other organised market or multilateral trading facility (MTF)). In the event no transaction price is quoted, the bid price which is quoted as the closing price shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation.

The re-calculated Exercise Price and re-calculated number of Shares as set forth above shall be determined by the Company two Business Days after the expiration of the subscription period and shall apply to purchases made thereafter.

In the event the Company's Shares are not listed or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection d) shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

(e) Certain other offers to the shareholders

In the event the Company, under circumstances other than those set forth in subsections a) – d) above, directs an offer to the shareholders, based upon pre-emptive rights pursuant to the principles set forth in Chapter 13, section 1 of the Companies Act, to purchase securities or rights of any kind from the Company or where the Company resolves, pursuant to the above-stated provisions, to distribute to its shareholders such securities or rights without consideration, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to purchase shall be applied in conjunction with Subscriptions which are effected at such time that Shares acquired as a consequence thereof do not entitle the Warrant Holder to participate in the offer. Re-calculations shall be made by the Company according to the following formulas:



<i>re-calculated Exercise Price =</i>	previous Exercise Price x the average market price of the Share during the acceptance period set forth in the offer (average Share price)
	average Share price increased by the value of participation in the offer (value of the participation right)
<i>re-calculated number of Shares, for which each Warrant entitles to Subscription =</i>	previous number of Shares for which each Warrant entitles to Subscription x the average Share price increased by the value of the participation right
	average Share price

The average Share price shall be calculated in accordance with the provisions set forth in subsection c) above.

In the event that shareholders have obtained participation rights and these have been traded, the value of the participation right shall be deemed to be the average of the calculated average values, for each trading day during the relevant period, of the highest and lowest transaction price according to Nasdaq First North's official price list (or equivalent information from other organised market or multilateral trading facility (MTF)). In the event no transaction price is quoted, the bid price which is quoted as the closing price for such date shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation.

In the event participation rights has not been received or trading in participation rights has otherwise not taken place, a re-calculation of the Exercise Price and a re-calculation of the number of Shares to which each Warrant entitles the Warrant Holder to purchase shall be made to the extent possible upon the application of the principles set forth above in this subsection e), whereupon the following shall apply. Where a listing is carried out in respect of the securities or rights which are offered to the shareholders, the value of the right to participate in the offer shall be deemed to be the average of the calculated average values, for each trading day during a period of 25 trading days commencing on the first day for listing, of the highest and lowest transaction price during the day for transactions in these securities or rights on Nasdaq First North (or equivalent information from other organised market or multilateral trading facility (MTF)), where applicable reduced by any consideration paid for such securities or rights in conjunction with the offer. In the absence of a quotation of the bid price, the closing transaction price quoted shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation. The period of notification determined in the offer, shall at the re-calculation of the Exercise Price and the number of Shares according to this paragraph correspond to 25 trading days as stated above. In the event that such listing does not take place, the value of the right to participate in the offer shall, to the extent possible, be determined based upon the change in market value regarding the Company's Shares which is deemed to have arisen as a consequence of the offer.

The re-calculated Exercise Price and number of shares according to the above shall be established by the Company immediately after the expiration of the period of offer and shall be applied to Subscription made after such determination.

In the event the Company's Shares are not listed or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection e) shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

(f) Equal treatment of warrant holders and shareholders

In the event the Company carries out a new issue of Shares or an issue according to Chapter 14 or 15 of the Swedish Companies Act – based on the pre-emptive rights of the shareholders - the Company may decide to grant all Warrant Holders the same pre-emptive right as granted to the shareholders according to the resolution. Each Warrant Holder, notwithstanding that Subscription has not been effected, thereby will be considered as owner of the number of Shares that the Warrant Holder would have received, if Subscription for the number of Shares that each Warrant entitles to has been effected at the time of the resolution on the issue

If the Company decides on an offer as described in subsection e) above, what is stated in the previous paragraph shall apply correspondingly, however, that the number of Shares considered owned by the Warrant Holder shall be determined based on the number of Shares that each Warrant entitled the Warrant Holder to subscribe for at the time the offer was resolved.

Should the Company decide to grant the Warrant Holders pre-emptive rights according to the provisions in this subsection f), no re-calculation according to subsections c), d) or e) above shall be made.

(g) Dividend

If it is decided to pay a dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same financial year, a total dividend exceeding 30% of the average market price of the Share during a period of 25 trading days immediately preceding the day on which the Board of Directors announced its intention to propose that the general shareholders' meeting approves such a dividend, shall, for Subscriptions requested at such time when the Shares received in such event do not carry rights to receive such dividend, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be based upon such part of the total dividend which exceeds 30% of the average market price of the Shares during the above period (extraordinary dividend). Re-calculations shall be made by the Company according to the following formulas:

$$\begin{aligned} \text{re-calculated Exercise Price} &= \frac{\text{previous Exercise Price} \times \text{the average market price of the Share during a} \\ &\quad \text{period of 25 trading days calculated from and including the day the Shares} \\ &\quad \text{are listed ex-rights to the extraordinary dividend (average Share price)}}{\text{average Share price increased by the extraordinary dividend paid per Share}} \\ \\ \text{re-calculated number of Shares} &= \frac{\text{previous number of Shares for which each Warrant entitles the Warrant} \\ \text{for which each Warrant entitles} &\quad \text{Holder to subscribe} \times \text{(the average Share price increased by the extra-} \\ \text{the Warrant Holder to subscribe} &\quad \text{ordinary dividend distributed per Share)}}{\text{average Share price}} \\ \text{for} &= \end{aligned}$$

The average Share price shall be considered to correspond to the average of the highest and lowest prices paid each trading day during the above period of 25 trading days in accordance with the official price list of Nasdaq First North (or equivalent information from other organised market or multilateral trading facility (MTF)). In the absence of a quotation of a paid price, the last bid price quoted for such date shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

The Exercise Price and number of Shares re-calculated in accordance with the above shall be determined by the Company two Bank Days after the expiration of such period of 25 trading days and shall apply to Subscriptions made after such time.

In the event the Company's Shares are not listed or traded on an organised market or another multilateral trading facility, and it is decided to pay a dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same financial year, a total dividend exceeding 100% of the profit after tax for the fiscal year and 30% of the Company's value, shall, for Subscriptions requested at such time when the Shares received in such event do not carry rights to receive such dividend, a re-calculated Exercise Price and a re-calculated number of Shares according to this subsection G shall be conducted. For such re-calculation shall the Company's value replace the average share price. The Company's value shall be determined by an independent valuer appointed by the Company. The re-calculation is based upon the portion of the total dividend that exceeds 100% of the Company's result after tax for the fiscal year and 30% of the Company's value (extraordinary dividend).

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

(h) Reduction of the share capital

In the event the Company's share capital or statutory reserve is reduced through a distribution to the shareholders, and the reduction is compulsory, a re-calculated Exercise Price and a re-calculation of the number of Shares to which each Warrant entitles the holder to purchase shall be carried out by the Company in accordance with the following formulas:

$$\text{re-calculated Exercise Price} = \frac{\text{previous Exercise Price} \times \text{the average market price of the Share during a period of 25 trading days calculated from the day on which the Share is listed without any right to participate in the distribution (average Share price)}}{\text{average Share price increased by the extraordinary dividend paid per Share}}$$

$$\text{re-calculated number of Shares for which each Warrant entitles the Warrant Holder to subscribe for} = \frac{\text{previous number of Shares for which the Warrant entitles the Warrant Holder to subscribe} \times (\text{average Share price increased by the amount distributed for each Share})}{\text{average Share price}}$$

The average Share price is calculated in accordance with the provisions set forth in subsection c) above.

On re-calculation according to the above and where the reduction is made by redemption of Shares, instead of the actual amount repaid per share, an estimated repayment amount shall be used as follows:

$$\text{estimated repayment amount per Share} = \frac{\text{The actual amount repaid per Share reduced by the average Share price during a period of 25 trading days prior to the date when the Share is quoted without a right to participate in the reduction (average Share price)}}{\text{the number of Shares in the Company forming the basis of the redemption of one share reduced by the figure 1}}$$

The average Share price is estimated in accordance with what is stated in subsection c) above.

The re-calculation of the Exercise Price and the re-calculated number of Shares stated above shall be determined by the Company two Business Days after the expiration of the stated period of 25 trading days and shall be applied to Subscription effected thereafter.

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

In the event the Company's Shares are not listed or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection G shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

If the share capital is reduced through redemption of Shares with repayment to the shareholders, and the reduction is not compulsory, or if the Company – without reducing the share capital – would re-purchase its own Shares and the measure, according to the Company's opinion, due to its technical nature and economic effect, is equivalent to an compulsory reduction, the re-calculation of the Exercise Price and number of Shares each Warrant entitles the Warrant Holder to subscribe for shall as far as possible be made by applying the principles outlined above in this subsection g)

(i) Recalculation shall give a reasonable result

If the Company takes actions described in item a) – h), or any other similar action leading to the similar effect and, in the opinion of the Company, the application of the re-calculation formulas stated herein, with regard to the technical framing of the action or for some other reason, would not be possible or lead to the economic compensation received by the Warrant Holder in proportion to the shareholders would not be reasonable, the Company, provided that the board of directors of the Company consent in writing, shall carry out the re-calculations of the Exercise Price and the number of Shares for which each Warrant entitles to Subscription for the purpose of a reasonable result of the re-calculations.

(j) Rounding off

In conjunction with re-calculation in accordance with the above, the Exercise Price shall be rounded to the nearest SEK 0.10, whereupon SEK 0.05 shall be rounded upwards, and the number of Shares shall be rounded to two decimal places.

(k) Liquidation

In the event it is resolved that the Company shall enter into liquidation pursuant to Chapter 25 of the Companies Act, regardless of the grounds for the liquidation, Subscription may not thereafter be made. The right to make an application for Subscription shall terminate in conjunction with the resolution to place the Company in liquidation, regardless of whether such resolution has entered into effect.

Not later than in the immediately adjacent to the board of directors of the Company's resolution to convene a general meeting that shall resolve whether the Company shall be placed into liquidation pursuant to Chapter 25, section 1 of the Companies Act, notice shall be given to Warrant Holders in accordance with Section 9 below in respect of the intended liquidation. The notice shall state that Subscription may not be made following the adoption of a resolution by the general meeting that the Company shall enter into liquidation.

In the event the Company gives notice of an intended liquidation in accordance with the above, each Warrant Holder, irrespective of that which is set forth in Section 4 above regarding the earliest time at which application for Subscription may be made, shall be entitled to apply for Subscription commencing on the date on which notice is given, provided that it is possible to effect Subscription no later than on the tenth calendar day prior to the general meeting at which the issue of the Company's liquidation shall be addressed.

(l) Merger

In the event the general meeting, in accordance with Chapter 23 Section 15 of the Companies Act, approve – or all shareholders, in accordance with paragraph four of aforementioned provision, signs a merger plan whereby the

Company shall be absorbed by another company, or in the event the general meeting, in accordance with Chapter 24 Section 17 of the Companies Act, would approve – or all shareholders, in accordance with paragraph four of aforementioned provision, signs a partition plan whereby the Company shall be dissolved without liquidation, Subscription may not thereafter be made.

Not later than in the immediately adjacent to the board of directors of the Company's resolution to convene a general meeting that shall resolve upon merger or partition according to what is stated above, or if the merger or partition plan shall be signed by all shareholder not later than six weeks prior to such signing, the Warrant Holders shall by notice in accordance with Section 9 below be informed of the intent to merger or partition. The notice shall set forth the principal terms of the proposed merger or partition plan and remind the Warrant Holders that Subscription may not be made after a final decision regarding merger or partition has been made or a merger or partition plan has been signed in accordance with what is stated above.

In the event the Company gives notice of a proposed merger or partition as described above, the Warrant Holders, irrespective of that which is set forth in Section 4 above regarding the earliest time at which application for Subscription may be made, shall be entitled to apply for Subscription commencing on the date on which notice is given, provided that the Subscription can be exercised (i) the tenth calendar day prior to the general meeting at which the merger plan whereby the Company shall be absorbed by another company or the partition plan whereby the Company shall be dissolved without liquidation shall be approved, or (ii) if the merger or partition plan shall be signed by all shareholders in the participating companies not later than the tenth calendar day prior to such signing is made.

(m) Merger pursuant to Chapter 23, Section 28 of the Swedish Companies Act and compulsory buy-out proceeding

In the event the board of directors of the Company establishes a merger plan according to Chapter 23 Section 28 of the Companies Act whereby the Company shall be absorbed by another company or the Company's share shall be subject to compulsory buy-out proceeding in accordance with Chapter 22 of the Companies Act shall the following apply.

In the event a Swedish limited company owns all Shares in the Company, and the board of directors of the company makes their intent to establish a merger plan public in accordance with the provision stated in the paragraph above, the Company shall, in the event the last day for Subscription pursuant to Section 4 above occurs after such announcement, determine a new last date for Subscription (the expiration date). The expiration date shall be within 30 days from the publication.

In the event one shareholder (the majority shareholder) alone or together with subsidiaries owns such a large portion of the total number of Shares that the majority owner, in accordance with the at the time applicable law has the right to initiate a compulsory buy-out proceeding and the majority owner makes its intention to initiate such proceeding public, what is stated in the preceding paragraph regarding the expiration date shall apply.

In the event the announcement has been conducted in accordance with what is stated in above in subsection L, the Warrant Holder, irrespective of that which is set forth in Section 4 above regarding the earliest time at which application for Subscription may be made, shall be entitled to apply for Subscription. The Company shall not later than three weeks prior to the expiration date by notice in accordance with Section 9 below remind the Warrant Holder of this right and that Subscription may not be made following the expiration date.

(n) Discontinued liquidation or merger

Notwithstanding the provisions set forth in subsections k), l), and m) above stating that Subscription may not be made following the approval of a, liquidation, merger or partition plan, or after the expiration of a new expiration

date in relations to a merger, the right to make an application for Subscription shall re-apply in circumstances where the merger and the partition, respectively, is not carried out or the liquidation is terminated.

(o) **Insolvent liquidation**

In the event the Company is declared bankrupt, application for Subscription may not take place after the date of the receiving order. Where, however, the receiving order is reversed by a court of higher instance, application for Subscription may be made.

(p) **Re-calculation to amount below quotient value**

The Company undertakes not to make any in this Section 8 specified action that would result in a re-calculation of the Exercise Price per Share to an amount below the quotient value of a Share.

**9. Notices**

Notices concerning the Warrants shall be given to each Warrant Holder by post or e-mail to the address or e-mail address last known by the Company, or be inserted in at least one newspaper published daily in Stockholm.

**10. Confidentiality**

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

**11. Amendments of Terms and Conditions**

The Company is entitled to on behalf of the Warrant Holders resolve upon amendments to these terms and conditions to the extent the law, court decisions, government decisions or it is otherwise according to the Company's assessment of practical reasons is appropriate or necessary, and the Warrant Holders' rights are not materially impaired.

**12. Force Majeure**

In respect to actions by the Company, the Company cannot be made liable for loss resulting from Swedish or foreign legislation, Swedish or foreign governmental actions, acts of war, terrorism, strikes, blockades, boycotts, lockouts or other similar circumstances. The reservation in respect to strikes, blockades, boycotts and lockouts shall apply even if the Company is itself the subject of such action.

Losses arising in other cases will not be reimbursed by the Company, if ordinary prudence has been observed. The Company shall not be responsible under any circumstances for indirect or other consequential damages. Neither is the Company responsible for any damage cause by the Warrant Holder or other by breaching the law, rules, regulations or theses terms and conditions. Hereby the Warrant Holders are made aware that it is the Warrant Holder responsibility that the documents provided to the Company are duly signed and that the Company is notified of any changes in the information provided.

In the event the Company, fully or partially, is prevented from taking actions due to circumstances mentioned above, the actions may be postponed until the obstacle is removed. If the Company due to such circumstance is prevented from making or receive payments, the Company or the Warrant Holder shall not be required to pay interest.

**13. Governing Law and Jurisdiction**

Swedish law shall apply on these terms, excluding its conflict of laws principles providing for the application of the laws of any other jurisdiction. Any dispute shall be finally settled by arbitration in accordance with the rules for expedited arbitration of the Arbitration Institute of Stockholm Chamber Commerce. The arbitration shall take place in Stockholm. The costs for the proceedings shall be borne by the Company irrespective of the outcome of the

proceedings, provided that if the Warrant Holder's request for arbitral proceedings is found obviously unfounded, the costs shall be paid by the Warrant Holder.

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*N.B. The English language version of this resolution proposal is an unofficial translation. In case of any discrepancy between the English and Swedish language versions, the Swedish language version shall prevail.*

## The board of directors' complete resolution proposal regarding incentive programme 2020/2024 for current and new co-workers by way of directed issue of warrants to a subsidiary for subsequent transfer to participants (item 16)

The board of directors of Sedana Medical AB (publ), reg. no. 556670-2519, (the "**Company**") proposes that the annual general meeting on 19 May 2020 resolves to establish a long-term incentive programme ("**Incentive Programme 2020/2024**") by way of an issue of warrants to Sedana Medical Incentive AB, reg. no. 559109-8826, (the "**Subsidiary**") for subsequent transfer to current and new employees and consultants (jointly "**Co-workers**") of the Company and the Group (as defined below) in accordance with what is set out in this proposal.

### **Background and objectives**

The objectives of the proposal is to establish conditions to recruit and maintain qualified personnel in the Group and to increase the motivation of the Co-workers of the Group, by reaching an increased community of interest between the Co-workers and the shareholders of the Company. The board of directors finds that it is in all shareholders' interests that the Company's Co-workers have a long-term interest in a positive price development of the Company's shares. A long-term ownership engagement is expected to stimulate an increased interest for the business and the earnings as a whole and is expected to increase motivation for the participants in Incentive Programme 2020/2024.

Current Co-workers, as well as Co-workers commencing their employment or assignment, in the Group (in accordance with the definition below), during the period 21 May 2020–31 January 2021, may be offered to participate in Incentive Program 2020/2024. The "**Group**" means the Company, including the Company's branch in Spain, as well as of the Company's subsidiaries in the United Kingdom, Ireland, Germany, Norway, France and the Netherlands and newly established branches and/or subsidiaries, if any.

Resolutions in accordance with items 16A and 16B below are conditional upon each other. As items 16A and 16B are governed by the provisions in Chapter 16 of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), valid resolutions require that the proposals are supported by at least nine-tenths of the votes cast as well as of all shares represented at the meeting.

Information regarding the preparation of the proposal, costs for the programme, other incentive programmes in the Company, dilution etc. are presented in item 16C below.

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## The board of directors' resolution proposal on an issue of warrants 2020/2024 to Sedana Medical Incentive AB (item 16A)

The board of directors of the Company proposes that the annual general meeting resolves upon an issue of not more than 360,000 warrants of series 2020/2024, which upon exercise may result in an increase in the share capital of the Company of not more than SEK 36,000.00. The warrants shall entitle to subscription of new shares in the Company. For the issue of warrants, the following terms shall apply.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only vest in the Subsidiary, with a right and obligation to, at one or several occasions, transfer the warrants to Co-workers of the Company in accordance with instructions from the board of directors of the Company and otherwise in accordance with the terms and conditions and guidelines specified in item 16B below.
2. The warrants shall be subscribed for by the Subsidiary no later than on 30 June 2020 on a separate subscription list, with a right for the board of directors of the Company to extend the subscription period.
3. The warrants shall be subscribed for without any consideration paid.
4. Each warrant entitles to subscription of one (1) new share in the Company during the period from and including 1 February 2024 until and including 31 May 2024, or until such earlier date set out in items 8 k)-m) of the complete terms and conditions for the warrants (Schedule A), at a subscription price corresponding to 140% of the volume weighted average price of the Company's share on Nasdaq First North Growth Market during the period from and including 1 January 2021 until and including 30 January 2021. The calculated subscription price shall be rounded off to the nearest whole SEK 0.01, whereupon SEK 0.005 shall be rounded to SEK 0.01. The subscription price may not be set to an amount below the quota value of the share.
5. A new share which is subscribed by exercise of a warrant shall entitle to participation in the distribution of profits for the first time on the nearest record date occurring after the new share has been recorded in the share register kept by Euroclear Sweden AB.
6. The complete terms and conditions for the warrants are set out in Schedule A and include, inter alia, customary conditions regarding re-calculation, which inter alia imply that the subscription price as well as the number of shares a warrant entitles to subscription of may be re-calculated in certain cases.

The reason for the issue of warrants and for the deviation from the shareholders' preferential rights is to implement Incentive Programme 2020/2024 (for more information, please see the heading "Background and objectives" above).

The chairman of the board of directors, or a person appointed by him, shall be authorized to make such minor adjustments to the resolution that may be required in connection with the registration of the resolution with the Swedish Companies Registration Office.

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## The board of directors' resolution proposal on approval of a transfer of warrants to participants (item 16B)

The board of directors of the Company proposes that the annual general meeting resolves to approve that the Subsidiary may transfer not more than 360,000 warrants 2020/2024 in the Company to current and new Co-workers of the Group, or otherwise dispose of the warrants in order to fulfil the Company's and the Subsidiary's obligations by reason of Incentive Programme 2020/2024, on the following terms and conditions.

1. Co-workers of the Group (employees as well as consultants) will, within the framework of Incentive Programme 2020/2024, be offered to acquire warrants after a division between three different categories, as set out below.
  - A. Members of the Group management: a maximum of between 30,000 and 50,000 warrants per Co-worker.
  - B. Other senior key persons and specialists: a maximum of 15,000 warrants per Co-worker.
  - C. Certain other Co-workers: a maximum of 5,000 warrants per Co-worker.
2. A precondition in order for a Co-worker to be entitled to participate in Incentive Programme 2020/2024 is that such person has commenced its employment in the Company or the Group no later than 31 January 2021 or, as regards consultants, that a consulting engagement has commenced no later than the mentioned date. Co-workers may neither, in order to be entitled to participate in Incentive Programme 2020/2024, have terminated their employment/assignment, or been given notice of dismissal, as of 31 January 2021, or have acquired warrants in the proposed incentive program 2020/2023 in the Company (for more information, see the heading "Other outstanding warrants and share based incentive programmes" under item 16C below).
3. A further precondition for being entitled to participate in Incentive Programme 2020/2024 is that participants, in an agreement entered into with the Subsidiary, undertakes to sell back acquired warrants to the Subsidiary if the participant's employment in or engagement with the Group ceases before three years have passed from the day of transfer of the warrants to the participant. The number of warrants a participant will be obliged to sell back to the Subsidiary will decrease gradually by approximately 33% per year (i.e. after one, two and three years, respectively, from the time of the transfer of the warrants to the participant), provided that the participant is still employed or engaged as a consultant in the Group on said dates, and with reservation for certain conditions according to which a participant may, under certain circumstances, be obliged to sell back all held warrants to the Subsidiary if there is a cause (*Sw. saklig grund*) for termination of the employment/consulting engagement. If the employment/consulting engagement is terminated due to disease or injury, or redundancy (*Sw. arbetsbrist*) as regards employment, the participant may however be entitled to keep all originally acquired warrants. The warrant holder agreement that will be entered into between the Subsidiary and participants will also contain certain transfer restrictions and other terms and conditions which are customary for such agreements.
4. In case of over-subscription from persons offered to acquire warrants, whereby the total number of warrants that Co-workers wish to acquire exceeds the total number of issued warrants 2020/2024, allotment shall at first hand be made proportionally in relation to the number of warrants subscribed for and at second hand by the drawing of lots to be conducted by the Company.
5. Transfer of warrants to participants in Incentive Programme 2020/2024 shall be made at a price corresponding to the market value of the warrants as of the date of the transfer, which shall be calculated by use of the Black & Scholes valuation formula by an independent valuation agent. For more information about the valuation, see the heading "Valuation" under item 16C below.
6. The warrants shall, provided that the general meeting resolves in accordance with this item 16B and item 16A above, be transferred to the participants around 31 January 2021, whereupon payment shall be made within approximately

a week. The board of directors of the Company shall however be entitled to delay the period for transfer of and payment for warrants. The transfers shall, however, have been effected no later than 15 February 2021.

7. Warrants, which have not been transferred to Co-workers within the framework of Incentive Programme 2020/2024 by 15 February 2021, shall be cancelled.
8. A precondition for transfers of warrants within the framework of Incentive Programme 2020/2024 is that such transfers may be lawfully made and that transfers, according to the board of directors' assessment, may be effected with reasonable administrative costs and economic contributions.

For information about the preparation of the board of directors' resolution proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc., see item 16C below.

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## Information regarding the preparation of the board of directors' proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc. (item 16C)

### Preparation of the proposal

The board of directors' resolution proposal for Incentive Programme 2020/2024 has been prepared by the board of directors of the Company together with external advisers.

### Valuation

Transfer of warrants 2020/2024 shall be made at a price corresponding to the market value of the warrants at the time of transfer. The market value of the warrants will be finally settled by an independent valuation agent at the time of the transfer of the warrants to the participants in Incentive Programme 2020/2024, by use of the Black & Scholes valuation formula.

Given that the warrants will not be transferred to the participants until around 31 January 2021, and that the market value of the warrants will be determined at the time of the transfer, it is difficult to estimate the market value of the warrants at the time of adoption of this proposal. According to a preliminary valuation made by the independent valuation institute with regards to the conditions at the time of the adoption of this proposal, however, the market value of the warrants will amount to approximately SEK 31.45 per warrant, under the assumption that (i) the warrants will be transferred to participants on 31 January 2021, (ii) that the volume weighted average payment rate for the company's share on Nasdaq First North Growth Market during the period 1 January 2021–30 January 2021 will amount to SEK 160.9 (the "**Comparison Rate**"), whereby the subscription price per share upon exercise of a warrant will amount to SEK 225.3, i.e. corresponding to 140% of the Comparison Rate, (iii) a risk free interest rate during the term of the warrants of -0.32%, (iv) an estimated volatility for the company's share during the term of the warrants of 43% and (v) that no dividends or other value transfers (Sw. värdeöverföringar) will be made during the term of the warrants.

### Costs and effects on key performance measure

As the warrants are transferred at the assessed market value at the time of transfer, determined by an independent valuation agent, the board of directors assesses that there will be no social security costs for the Company as a result of Incentive Programme 2020/2024. Incentive Programme 2020/2024 is therefore estimated to give rise only to limited costs in relation to the implementation and administration of the incentive programme, including, inter alia, fees to external advisers and the valuation agent.

Provided that the assessed market value for each warrant 2020/2024 will amount to SEK 31.45 at the time of transfer to participants in Incentive Programme 2020/2024, the Group may further be contributed with a total of up to approximately SEK 11.3 million in the form of cash payments for warrants acquired (assuming full subscription in the incentive programme). In case of exercise of warrants 2020/2024 for subscription of shares at the end of the term of the warrants, provided that the subscription price for each share is SEK 225.3, the company may further be contributed with issue proceeds amounting to a total of up to approximately SEK 81.1 million in 2024 (assuming that all 360,000 warrants 2020/2024 will be exercised for subscription of shares).

Dilution, if any, which Incentive Programme 2020/2024 may result in, will affect the Company's earnings per share. For more information about dilutive effects, see the heading "Dilution" below.

### Participation of board members

No board members of the Company will be offered to participate in Incentive Programme 2020/2024.

## Other outstanding warrants and share based incentive programmes

At the annual general meeting in the Company held on 19 May 2017 it was resolved to adopt a warrant based incentive programme 2017/2021, intended for certain senior executives in the Company. In total, 310,149 warrants 2017/2021 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive program. All of the issued warrants were subsequently transferred to the CEO, CFO and CMO of the Company. Each warrant 2017/2021 entitles to subscription for one new share in the Company during the period 15 May 2020–31 January 2021 at a subscription price of SEK 25.35 per share (corresponding to 130% of the introductory subscription price in the new share issue which was made in connection to the listing of the Company's share on Nasdaq First North Growth Market in 2017). Assuming that all currently outstanding warrants 2017/2021 are exercised for subscription of new shares in the Company, the Company's share capital will increase by SEK 31,014.90 divided between 310,149 shares.

At the annual general meeting in the Company held on 28 May 2019 it was resolved to adopt a warrant based incentive programme 2019/2022, intended for senior executives, senior key persons and specialists as well as other co-workers in the Company and the Group. In total, 370,000 warrants 2019/2022 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive programme. In total, 84,403 warrants 2019/2022 were transferred to participants in the incentive programme during June and August 2019. The remaining 285,597 warrants 2019/2022 which were not transferred to participants in the incentive programme have been cancelled. Each warrant 2019/2022 entitles to subscription of one new share in the Company during the period 1 July–30 November 2022 at a subscription price of SEK 142.23 per share (corresponding to 130% of the volume weighted average price of the Company's share on Nasdaq First North Growth Market during the period 12 May–12 June 2019). Assuming that all currently outstanding warrants 2019/2022 are exercised for subscription of new shares in the Company, the Company's share capital will increase by SEK 8,440.3 divided between 84,403 new shares.

The board of directors of the Company has proposed that the annual general meeting 2020 resolves to adopt another warrant based incentive programme, incentive programme 2020/2023, intended for *current* members of management, senior key persons and specialists as well as other selected co-workers of the Company and the Group, which have commenced their employment or consulting engagement on 20 May 2020, at the latest. The board of directors has proposed that 325,000 warrants 2020/2023 shall be issued to the Subsidiary for subsequent transfer to participants. Such transfers of warrants are scheduled to take place around 20 May 2020. Each warrant 2020/2023 entitles to subscription of one new share in the Company during the period 1 June–30 September 2023 at a subscription price corresponding to 140% of the volume weighted average price for the Company's share on Nasdaq First North Growth Market during the period 20 April–19 May 2023. Provided that the annual general meeting resolves in accordance with the board of directors' proposal to adopt incentive programme 2020/2023, and that all warrants 2020/2023 are transferred to Co-workers of the Group and are exercised for subscription of new shares in the Company, the Company's share capital will increase by SEK 32,500.00 divided between 325,000 new shares. For more information about the proposed incentive programme 2020/2023, see the separate resolution proposal under item 15 in the proposed agenda for the annual general meeting.

## Dilution

At the date of adoption of this resolution proposal, the total number of shares and votes in the Company amounts to 22,736,591.

The dilutive effect of Incentive Programme 2020/2024 is estimated to amount to a maximum of approximately 1.56% of the total number of shares and votes in the Company (based on the current number of shares and votes in the Company, disregarding outstanding warrants, and assuming full exercise of all warrants 2020/2024).

The accumulated dilutive effect of all outstanding and proposed share related incentive programmes (incentive programmes 2017/2021, 2019/2022, 2020/2023 and 2020/2024) is estimated to amount to a maximum of approximately 4.53% of the total

number of shares and votes in the Company (calculated based on the current number of shares and votes in the Company, and assuming full exercise of all outstanding warrants and all warrants that may come to be issued within the framework of the proposed incentive programmes 2020/2023 and 2020/2024.

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## Terms and conditions for warrants series 2020/2024 in Sedana Medical AB (publ)

### 1. Definitions

For the purposes of these terms and conditions, the following terms shall have the meanings as stated below.

“Share”	a share in the Company with a present quotient value of SEK 0.10;
“Business Day”	a day which in Sweden is not a Sunday or other public holiday or which, with regard to payments of debt instruments, is not equated with a public holiday;
“the Company”	Sedana Medical AB (publ), reg. no. 556670-2519;
“Euroclear”	Euroclear Sweden AB (reg. no 556112-8074);
“the Institute”	the bank or account operator that the Company uses for actions related to the Warrants, as applicable;
“Warrant Holder”	the holder of a Warrant;
“Subscription”	subscription for new Shares as provided for in Chapter 14 of the Swedish Companies Act;
“Exercise Price”	the price at which Subscription for the new Shares may take place through exercise of Warrants in accordance with these terms and conditions;
“Warrant”	the right to subscribe for one (1) new Share in the Company against cash payment according to these terms and conditions.

### 2. Warrants and warrant certificates

The total number of Warrants shall amount to not more than 360,000.

The Company shall keep a register of holders of Warrants. The Company shall further, upon request from a Warrant Holder, issue warrant certificates issued for a certain person or order representing one (1) Warrant or multiples thereof. The Company shall also upon request effectuate exchanges and conversions of warrant certificates in connection with ownership transfers or when otherwise required.

The Company’s board of directors is entitled to resolve that the Warrants shall be registered with Euroclear in a securities register pursuant to the Central Securities Depositories and Swedish Financial Instruments Accounts Act (1998:1479). In case such a resolution is not passed, what is stated in paragraphs four to seven in this Section 2 shall not apply. In case such a resolution is passed, what is stated in paragraphs four to seven in this Section 2 shall apply instead of what is stated in the second paragraph above.

In case warrant certificates have been issued relating to Warrants, a Warrant Holder shall, upon the Company’s request, be obliged to immediately submit to the Company or Euroclear all warrant certificates representing Warrants and furnish the Company with necessary information regarding the securities account on which the Warrant Holder’s Warrants shall be registered in accordance with the below.

The Warrants shall be registered by Euroclear in a securities register pursuant to the Central Securities Depositories and Swedish Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) and consequently no physical warrant certificates will be issued thereafter.

The Warrants shall be registered on an account in the Company's Central Securities Depository register, on behalf of the Warrant Holder. Registrations relating to the Warrants shall be made by the Institute.

In the event that the Company's board of directors has passed a resolution to register the Warrants in a securities register with Euroclear as set out above, the board of directors will be free to resolve, within the restrictions that may follow from law or other regulations, that the Warrants shall no longer be registered by Euroclear in a securities register. If such a resolution is passed, what is stated in the second paragraph above under this item 2 shall apply instead of what is stated in the fourth to sixth paragraphs.

### **3. The Right to Subscribe and Exercise Price**

Each Warrant entitles the Warrant Holder to subscribe for one (1) new share in the Company at an Exercise Price corresponding to 140% of the volume weighted average price of the Company's share on Nasdaq First North Growth Market during the period from and including 1 January 2021 until and including 30 January 2021. The Exercise Price thus calculated shall be rounded off to the nearest whole hundredth SEK, whereupon SEK 0.005 shall be rounded-off to SEK 0.01. The Exercise Price may never be set below the quotient value of the Company's shares.

Recalculation of the Exercise Price as well as of the number of Shares that each Warrant entitles the Warrant Holder to subscribe for can also be made as set forth in Section 8 below. Subscription can only be made in relation to the number of whole Shares to which the total number of Warrants entitles, i.e. part of a Share cannot be subscribed for.

The Company undertakes that each Warrant Holder is given the right to subscribe for Shares in the Company against cash payment according to the terms and conditions below.

In the event of a dispute concerning redemption of minority Shares in accordance with Chapter 22 Section 26 paragraph 2 of the Swedish Companies Act, Subscription may not be made until the dispute has been finally settled. However, if the subscription period under the Section 4 below will expire before then or within three months thereafter, the Warrant Holder shall be entitled to exercise the Warrant during three months after the judgment became final.

### **4. Notification of Subscription**

Notification of Subscription of Shares by the exercise of Warrants may be made during the period from and including 1 February 2024 until and including 31 May 2024, or until such earlier date as is stipulated in Section 8 k)–m) below.

In order for any subscription to be executed, the warrant holder shall submit to the Company a written notification indicating the number of Shares subject to application for subscription as well as, if such have been issued, warrant certificates representing the corresponding number of warrants.

Notification of Subscription is binding and cannot be revoked by the Warrant Holder.

Where a notification of Subscription is not filed within the period set forth in the first paragraph of this Section 4, any and all rights pursuant to the Warrants shall lapse.



**5. Payment**

Following Subscription, payment for the number of Shares subscribed for shall be made immediately in cash to an account designated by the Company.

The Warrant Holder shall pay any tax or fee that may be payable in relation to the transfer, possession or exercise of the Warrants due to Swedish or foreign legislation or Swedish or foreign governmental decisions.

**6. Recording in Share Register, etc.**

The Subscription shall be exercised by an interim registration, of which the Company shall be responsible, of the Shares at a securities account. After registration at the Swedish Companies Registration Office is finalised, the registration at the securities account shall be definitive. As stated in Section 8 below, the definitive registration at the securities account is delayed in certain cases.

If the Company is not a CSD company at the time of notification of Subscription, the Subscription shall be exercised by recording the Shares in the share register as interim shares. After the registration at the Swedish Companies Registration Office is finalised, the Shares shall be recorded in the share register as shares.

**7. Dividends in respect of new Shares**

Shares which are issued following Subscription shall entitle to participation in the distribution of profits for the first time on the nearest record date occurring after the Subscription has been exercised to such extent that the new Shares have been recorded in the Company's share register kept by Euroclear Sweden AB.

If the Company is not a CSD company, the Shares shall entitle to participation in the distribution of profits for the first time at the nearest general meeting that resolves upon dividends after the Subscription has been effectuated and the new Shares have been recorded in the Company's share register.

**8. Re-calculation in certain cases**

The following shall apply with respect to the right of the Warrant Holder in different corporate situation, such as increase or decrease of the share capital or the number of Shares before the Subscription etc:

**(a) Bonus issue**

Where the Company carries out a bonus issue of Shares, Subscription shall be effected, where a notification of Subscription is made at such time that it cannot be effected on or before the fifth week day prior to the general meeting which resolves to carry out the share issue, after a resolution has been adopted by the general meeting in respect thereof. Shares which are issued as a consequence of Subscription effected after the adoption of a resolution to carry out the share issue shall be recorded on an interim basis in a securities account which means that the holders of such Shares are not entitled to participate in the issue. Final registration in a securities account shall take place after the record date for the share issue.

If the Company is not a CSD company at the time of the general meeting's resolution to carry out an issue, all Shares that has been issued as a result of the Subscription and has been recorded on an interim basis in the share register shall be entitled to participate in the issue.

In connection with Subscriptions effected after the adoption of the resolution to carry out the bonus issue, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be made by the Company according to the following formulas:

<i>re-calculated</i>	previous Exercise Price x the number of Shares prior to the bonus issue
<i>Exercise Price =</i>	<hr/> the number of Shares after the bonus issue

<i>re-calculated number of Shares</i>	previous number of Shares which the Warrant entitled the Warrant Holder to
<i>for which each Warrant</i>	subscribe for x the number of Shares after the bonus issue
<i>entitles to Subscription =</i>	<hr/> number of Shares prior to the bonus issue

The Exercise Price and the number of Shares re-calculated in accordance with the above shall be determined by the Company as soon as possible following the adoption by the general meeting of the resolution to carry out the bonus issue but shall be applied only after the record date for the share issue.

(b) Reverse share split or share split

Where the Company carries out a consolidation or a share split, subsection a) above shall apply correspondingly, in which case the record date shall be deemed to be the date on which the consolidation or share split, upon request by the Company, is effected by Euroclear.

(c) New share issue

Where the Company carries out a new issue of Shares subject to the pre-emptive rights of the shareholders to subscribe for new Shares in exchange for cash payment or payment through set-off of claims against the Company, the following shall apply:

1. Where the Board of Directors resolves to carry out the share issue contingent upon the approval of or pursuant to authorisation by the general meeting, the resolution of the share issue shall set forth the last date on which Shares issued pursuant to Subscription entitle the Warrant Holders to participate in the share issue. Such date shall not be earlier than the tenth calendar day after the Warrant Holder has been informed of resolution to issue Shares.
2. Where the general meeting resolves to carry out the share issue, Subscription, where application for Subscription is made at such time that it cannot be effected on or before the fifth week day prior to the general meeting which resolves to carry out the share issue, shall be exercised after the Company has conducted the re-calculation according to this subsection c), second last paragraph. Share that has been issued due to such subscription shall be registered on an interim basis at a securities account, meaning that they do not have the right to participate in the issue.

If the Company is not a CSD company at the time of the general meeting's resolution to carry out a share issue, all Shares that has been issued as a result of the Subscription and has been recorded on an interim basis in the share register shall be entitled to participate in the issue.

In connection with Subscriptions which are effected at such time that no right to participate in the share issue arises, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be made according to the following formulas:

$$\begin{aligned}
 & \text{previous Exercise Price} \times \text{the average market price of the Share during the} \\
 & \text{subscription period set forth in the resolution approving the issue (the} \\
 & \text{average Share price} \\
 \text{re-calculated Exercise Price} = & \frac{\hspace{15em}}{\hspace{15em}} \\
 & \text{average Share price increased by the theoretical value of the subscription right} \\
 & \text{calculated on the basis thereof} \\
 \\
 & \text{previous number of Shares which the Warrant entitled the Warrant Holder to} \\
 & \text{subscribe for} \times \text{(the average Share price increased by the} \\
 & \text{theoretical value of the subscription right calculated on the basis thereof} \\
 \text{re-calculated number of Shares} \\
 \text{for which each Warrant entitles} \\
 \text{to Subscription} = & \frac{\hspace{15em}}{\hspace{15em}} \\
 & \text{the average Share price}
 \end{aligned}$$

The average Share price shall be deemed to be equivalent to the average of the calculated average values, for each trading day during the subscription period, of the highest and lowest transaction price according to Nasdaq First North's official price list (or equivalent information from other organised market or multilateral trading facility (MTF)) at which the Company's share is listed or traded). In the event no transaction price is quoted, the last bid price which is quoted as the closing price for such date shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right shall be calculated according to the following formula:

$$\begin{aligned}
 & \text{the maximum number of new Shares that may be issues according} \\
 & \text{to the resolution approving the issue} \times \text{the average Share price reduced by} \\
 & \text{the Exercise Price of the new Share} \\
 \text{value of subscription right} = & \frac{\hspace{15em}}{\hspace{15em}} \\
 & \text{number of Shares prior to the adoption of the resolution approving the issue}
 \end{aligned}$$

In the event there is a negative value arising from the above-stated calculation, the theoretical value of the subscription right shall be deemed to be zero.

The re-calculated Exercise Price and re-calculated number of Shares as set forth above shall be determined by the Company two Business Days after the expiration of the subscription period and shall apply to Subscriptions exercised thereafter.

In the event the Company's Shares are not listen or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection c) shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

For the time until the re-calculated Exercise Price and re-calculated number of Shares that each Warrant entitles Subscription for is determined, Subscription is exercised preliminary, whereby the number of Shares that each Warrant gives the right to prior to re-calculation is recorded on an interim basis in a securities account. Further, it is noted that each Warrant, after re-calculation, can give the right to additional Shares according to Section 3 above. Final registration in a securities account shall take place after the re-calculations are determined.

If the Company is not a CSD company Subscription is exercised by recording the new Shares on an interim basis in the share register. When the re-calculation is determined, the Shares shall be recorded as Shares in the share register.

(d) Issue of warrants or convertible debentures

Where the Company carries out an issue of Warrants subject to the pre-emptive rights for shareholders to subscribe –regarding the right for Shares, allotted as a consequence of exercise of Warrants, to participate in the issue, the provisions of subsection c) above shall apply.

In the event of Subscriptions which are effected at such time that no right to participate in the share issue arises, a re-calculated Exercise Price and a re-calculation of the number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be made according to the following formulas:

$$\begin{aligned} \text{re-calculated Exercise Price} &= \frac{\text{previous Exercise Price} \times \text{the average market price of the Share during the} \\ &\quad \text{subscription period set forth in the resolution approving the issue (the} \\ &\quad \text{average Share price)}}{\text{average Share price increased by the value of the subscription right}} \\ \\ \text{re-calculated number of Shares,} &\quad \text{previous number of Shares that each Warrant entitles to Subscription for} \\ \text{for which each Warrant entitles to} &\quad \text{the average Share price increased by the value of the Subscription} \\ \text{Subscription} &= \frac{}{\text{average Share price}} \end{aligned}$$

The average Share price shall be calculated in accordance with the provisions set forth in subsection c) above.

The value of a subscription right shall be deemed to be equivalent to the average of the calculated average values, for each trading day during the subscription period, of the highest and lowest transaction price according to Nasdaq First North's official price list (or equivalent information from other organised market or multilateral trading facility (MTF)). In the event no transaction price is quoted, the bid price which is quoted as the closing price shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation.

The re-calculated Exercise Price and re-calculated number of Shares as set forth above shall be determined by the Company two Business Days after the expiration of the subscription period and shall apply to purchases made thereafter.

In the event the Company's Shares are not listed or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection d) shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

(e) Certain other offers to the shareholders

In the event the Company, under circumstances other than those set forth in subsections a) – d) above, directs an offer to the shareholders, based upon pre-emptive rights pursuant to the principles set forth in Chapter 13, section 1 of the Companies Act, to purchase securities or rights of any kind from the Company or where the Company resolves, pursuant to the above-stated provisions, to distribute to its shareholders such securities or rights without consideration, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to purchase shall be applied in conjunction with Subscriptions which are effected at such time that Shares acquired as a consequence thereof do not entitle the Warrant Holder to participate in the offer. Re-calculations shall be made by the Company according to the following formulas:

$$\begin{aligned}
 \text{re-calculated Exercise Price} &= \frac{\text{previous Exercise Price} \times \text{the average market price of the Share during the acceptance period set forth in the offer (average Share price)}}{\text{average Share price increased by the value of participation in the offer (value of the participation right)}} \\
 \text{re-calculated number of Shares, for which each Warrant entitles to Subscription} &= \frac{\text{previous number of Shares for which each Warrant entitles to Subscription} \times \text{the average Share price increased by the value of the participation right}}{\text{average Share price}}
 \end{aligned}$$

The average Share price shall be calculated in accordance with the provisions set forth in subsection c) above.

In the event that shareholders have obtained participation rights and these have been traded, the value of the participation right shall be deemed to be the average of the calculated average values, for each trading day during the relevant period, of the highest and lowest transaction price according to Nasdaq First North's official price list (or equivalent information from other organised market or multilateral trading facility (MTF)). In the event no transaction price is quoted, the bid price which is quoted as the closing price for such date shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation.

In the event participation rights has not been received or trading in participation rights has otherwise not taken place, a re-calculation of the Exercise Price and a re-calculation of the number of Shares to which each Warrant entitles the Warrant Holder to purchase shall be made to the extent possible upon the application of the principles set forth above in this subsection e), whereupon the following shall apply. Where a listing is carried out in respect of the securities or rights which are offered to the shareholders, the value of the right to participate in the offer shall be deemed to be the average of the calculated average values, for each trading day during a period of 25 trading days commencing on the first day for listing, of the highest and lowest transaction price during the day for transactions in these securities or rights on Nasdaq First North (or equivalent information from other organised market or multilateral trading facility (MTF)), where applicable reduced by any consideration paid for such securities or rights in conjunction with the offer. In the absence of a quotation of the bid price, the closing transaction price quoted shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation. The period of notification determined in the offer, shall at the re-calculation of the Exercise Price and the number of Shares according to this paragraph correspond to 25 trading days as stated above. In the event that such listing does not take place, the value of the right to participate in the offer shall, to the extent possible, be determined based upon the change in market value regarding the Company's Shares which is deemed to have arisen as a consequence of the offer.

The re-calculated Exercise Price and number of shares according to the above shall be established by the Company immediately after the expiration of the period of offer and shall be applied to Subscription made after such determination.

In the event the Company's Shares are not listen or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection e) shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

(f) Equal treatment of warrant holders and shareholders

In the event the Company carries out a new issue of Shares or an issue according to Chapter 14 or 15 of the Swedish Companies Act – based on the pre-emptive rights of the shareholders - the Company may decide to grant all Warrant Holders the same pre-emptive right as granted to the shareholders according to the resolution. Each Warrant Holder, notwithstanding that Subscription has not been effected, thereby will be considered as owner of the number of Shares that the Warrant Holder would have received, if Subscription for the number of Shares that each Warrant entitles to has been effected at the time of the resolution on the issue

If the Company decides on an offer as described in subsection e) above, what is stated in the previous paragraph shall apply correspondingly, however, that the number of Shares considered owned by the Warrant Holder shall be determined based on the number of Shares that each Warrant entitled the Warrant Holder to subscribe for at the time the offer was resolved.

Should the Company decide to grant the Warrant Holders pre-emptive rights according to the provisions in this subsection f), no re-calculation according to subsections c), d) or e) above shall be made.

(g) Dividend

If it is decided to pay a dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same financial year, a total dividend exceeding 30% of the average market price of the Share during a period of 25 trading days immediately preceding the day on which the Board of Directors announced its intention to propose that the general shareholders' meeting approves such a dividend, shall, for Subscriptions requested at such time when the Shares received in such event do not carry rights to receive such dividend, a re-calculated Exercise Price and a re-calculated number of Shares to which each Warrant entitles the Warrant Holder to subscribe for shall be applied. The re-calculations shall be based upon such part of the total dividend which exceeds 30% of the average market price of the Shares during the above period (extraordinary dividend). Re-calculations shall be made by the Company according to the following formulas:

$$\begin{aligned} \text{re-calculated Exercise Price} &= \frac{\text{previous Exercise Price} \times \text{the average market price of the Share during a} \\ &\quad \text{period of 25 trading days calculated from and including the day the Shares} \\ &\quad \text{are listed ex-rights to the extraordinary dividend (average Share price)}}{\text{average Share price increased by the extraordinary dividend paid per Share}} \\ \\ \text{re-calculated number of Shares} &\quad \text{previous number of Shares for which each Warrant entitles the Warrant} \\ \text{for which each Warrant entitles} &\quad \text{Holder to subscribe} \times \text{(the average Share price increased by the extra-} \\ \text{the Warrant Holder to subscribe} &\quad \text{ordinary dividend distributed per Share)} \\ \text{for} &= \frac{}{\text{average Share price}} \end{aligned}$$

The average Share price shall be considered to correspond to the average of the highest and lowest prices paid each trading day during the above period of 25 trading days in accordance with the official price list of Nasdaq First North (or equivalent information from other organised market or multilateral trading facility (MTF)). In the absence of a quotation of a paid price, the last bid price quoted for such date shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

The Exercise Price and number of Shares re-calculated in accordance with the above shall be determined by the Company two Bank Days after the expiration of such period of 25 trading days and shall apply to Subscriptions made after such time.

In the event the Company's Shares are not listed or traded on an organised market or another multilateral trading facility, and it is decided to pay a dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same financial year, a total dividend exceeding 100% of the profit after tax for the fiscal year and 30% of the Company's value, shall, for Subscriptions requested at such time when the Shares received in such event do not carry rights to receive such dividend, a re-calculated Exercise Price and a re-calculated number of Shares according to this subsection G shall be conducted. For such re-calculation shall the Company's value replace the average share price. The Company's value shall be determined by an independent valuer appointed by the Company. The re-calculation is based upon the portion of the total dividend that exceeds 100% of the Company's result after tax for the fiscal year and 30% of the Company's value (extraordinary dividend).

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

(h) Reduction of the share capital

In the event the Company's share capital or statutory reserve is reduced through a distribution to the shareholders, and the reduction is compulsory, a re-calculated Exercise Price and a re-calculation of the number of Shares to which each Warrant entitles the holder to purchase shall be carried out by the Company in accordance with the following formulas:

$$\text{re-calculated Exercise Price} = \frac{\text{previous Exercise Price} \times \text{the average market price of the Share during a period of 25 trading days calculated from the day on which the Share is listed without any right to participate in the distribution (average Share price)}}{\text{average Share price increased by the extraordinary dividend paid per Share}}$$

$$\text{re-calculated number of Shares for which each Warrant entitles the Warrant Holder to subscribe for} = \frac{\text{previous number of Shares for which the Warrant entitles the Warrant Holder to subscribe} \times (\text{average Share price increased by the amount distributed for each Share})}{\text{average Share price}}$$

The average Share price is calculated in accordance with the provisions set forth in subsection c) above.

On re-calculation according to the above and where the reduction is made by redemption of Shares, instead of the actual amount repaid per share, an estimated repayment amount shall be used as follows:

$$\text{estimated repayment amount per Share} = \frac{\text{The actual amount repaid per Share reduced by the average Share price during a period of 25 trading days prior to the date when the Share is quoted without a right to participate in the reduction (average Share price)}}{\text{the number of Shares in the Company forming the basis of the redemption of one share reduced by the figure 1}}$$

The average Share price is estimated in accordance with what is stated in subsection c) above.

The re-calculation of the Exercise Price and the re-calculated number of Shares stated above shall be determined by the Company two Business Days after the expiration of the stated period of 25 trading days and shall be applied to Subscription effected thereafter.

In the event of Subscription during a time period of re-calculation of the Exercise Price and/or the number of Shares for which each Warrant entitles to Subscription, the provisions in subsection c), last paragraph shall apply.

In the event the Company's Shares are not listed or traded on an organised market or another multilateral trading facility, a re-calculated Exercise Price and re-calculated number of Shares in accordance with this subsection G shall apply. Instead of what is stated regarding the average Share price, the Share price shall be determined by an independent valuer appointed by the Company.

If the share capital is reduced through redemption of Shares with repayment to the shareholders, and the reduction is not compulsory, or if the Company – without reducing the share capital – would re-purchase its own Shares and the measure, according to the Company's opinion, due to its technical nature and economic effect, is equivalent to an compulsory reduction, the re-calculation of the Exercise Price and number of Shares each Warrant entitles the Warrant Holder to subscribe for shall as far as possible be made by applying the principles outlined above in this subsection g)

(i) Recalculation shall give a reasonable result

If the Company takes actions described in item a) – h), or any other similar action leading to the similar effect and, in the opinion of the Company, the application of the re-calculation formulas stated herein, with regard to the technical framing of the action or for some other reason, would not be possible or lead to the economic compensation received by the Warrant Holder in proportion to the shareholders would not be reasonable, the Company, provided that the board of directors of the Company consent in writing, shall carry out the re-calculations of the Exercise Price and the number of Shares for which each Warrant entitles to Subscription for the purpose of a reasonable result of the re-calculations.

(j) Rounding off

In conjunction with re-calculation in accordance with the above, the Exercise Price shall be rounded to the nearest SEK 0.10, whereupon SEK 0.05 shall be rounded upwards, and the number of Shares shall be rounded to two decimal places.

(k) Liquidation

In the event it is resolved that the Company shall enter into liquidation pursuant to Chapter 25 of the Companies Act, regardless of the grounds for the liquidation, Subscription may not thereafter be made. The right to make an application for Subscription shall terminate in conjunction with the resolution to place the Company in liquidation, regardless of whether such resolution has entered into effect.

Not later than in the immediately adjacent to the board of directors of the Company's resolution to convene a general meeting that shall resolve whether the Company shall be placed into liquidation pursuant to Chapter 25, section 1 of the Companies Act, notice shall be given to Warrant Holders in accordance with Section 9 below in respect of the intended liquidation. The notice shall state that Subscription may not be made following the adoption of a resolution by the general meeting that the Company shall enter into liquidation.

In the event the Company gives notice of an intended liquidation in accordance with the above, each Warrant Holder, irrespective of that which is set forth in Section 4 above regarding the earliest time at which application for Subscription may be made, shall be entitled to apply for Subscription commencing on the date on which notice is given, provided that it is possible to effect Subscription no later than on the tenth calendar day prior to the general meeting at which the issue of the Company's liquidation shall be addressed.

(l) Merger

In the event the general meeting, in accordance with Chapter 23 Section 15 of the Companies Act, approve – or all shareholders, in accordance with paragraph four of aforementioned provision, signs a merger plan whereby the



Company shall be absorbed by another company, or in the event the general meeting, in accordance with Chapter 24 Section 17 of the Companies Act, would approve – or all shareholders, in accordance with paragraph four of aforementioned provision, signs a partition plan whereby the Company shall be dissolved without liquidation, Subscription may not thereafter be made.

Not later than in the immediately adjacent to the board of directors of the Company's resolution to convene a general meeting that shall resolve upon merger or partition according to what is stated above, or if the merger or partition plan shall be signed by all shareholder not later than six weeks prior to such signing, the Warrant Holders shall by notice in accordance with Section 9 below be informed of the intent to merger or partition. The notice shall set forth the principal terms of the proposed merger or partition plan and remind the Warrant Holders that Subscription may not be made after a final decision regarding merger or partition has been made or a merger or partition plan has been signed in accordance with what is stated above.

In the event the Company gives notice of a proposed merger or partition as described above, the Warrant Holders, irrespective of that which is set forth in Section 4 above regarding the earliest time at which application for Subscription may be made, shall be entitled to apply for Subscription commencing on the date on which notice is given, provided that the Subscription can be exercised (i) the tenth calendar day prior to the general meeting at which the merger plan whereby the Company shall be absorbed by another company or the partition plan whereby the Company shall be dissolved without liquidation shall be approved, or (ii) if the merger or partition plan shall be signed by all shareholders in the participating companies not later than the tenth calendar day prior to such signing is made.

(m) Merger pursuant to Chapter 23, Section 28 of the Swedish Companies Act and compulsory buy-out proceeding

In the event the board of directors of the Company establishes a merger plan according to Chapter 23 Section 28 of the Companies Act whereby the Company shall be absorbed by another company or the Company's share shall be subject to compulsory buy-out proceeding in accordance with Chapter 22 of the Companies Act shall the following apply.

In the event a Swedish limited company owns all Shares in the Company, and the board of directors of the company makes their intent to establish a merger plan public in accordance with the provision stated in the paragraph above, the Company shall, in the event the last day for Subscription pursuant to Section 4 above occurs after such announcement, determine a new last date for Subscription (the expiration date). The expiration date shall be within 30 days from the publication.

In the event one shareholder (the majority shareholder) alone or together with subsidiaries owns such a large portion of the total number of Shares that the majority owner, in accordance with the at the time applicable law has the right to initiate a compulsory buy-out proceeding and the majority owner makes its intention to initiate such proceeding public, what is stated in the preceding paragraph regarding the expiration date shall apply.

In the event the announcement has been conducted in accordance with what is stated in above in subsection L, the Warrant Holder, irrespective of that which is set forth in Section 4 above regarding the earliest time at which application for Subscription may be made, shall be entitled to apply for Subscription. The Company shall not later than three weeks prior to the expiration date by notice in accordance with Section 9 below remind the Warrant Holder of this right and that Subscription may not be made following the expiration date.

(n) Discontinued liquidation or merger

Notwithstanding the provisions set forth in subsections k), l), and m) above stating that Subscription may not be made following the approval of a, liquidation, merger or partition plan, or after the expiration of a new expiration

date in relations to a merger, the right to make an application for Subscription shall re-apply in circumstances where the merger and the partition, respectively, is not carried out or the liquidation is terminated.

(o) Insolvent liquidation

In the event the Company is declared bankrupt, application for Subscription may not take place after the date of the receiving order. Where, however, the receiving order is reversed by a court of higher instance, application for Subscription may be made.

(p) Re-calculation to amount below quotient value

The Company undertakes not to make any in this Section 8 specified action that would result in a re-calculation of the Exercise Price per Share to an amount below the quotient value of a Share.

**9. Notices**

Notices concerning the Warrants shall be given to each Warrant Holder by post or e-mail to the address or e-mail address last known by the Company, or be inserted in at least one newspaper published daily in Stockholm.

**10. Confidentiality**

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

**11. Amendments of Terms and Conditions**

The Company is entitled to on behalf of the Warrant Holders resolve upon amendments to these terms and conditions to the extent the law, court decisions, government decisions or it is otherwise according to the Company's assessment of practical reasons is appropriate or necessary, and the Warrant Holders' rights are not materially impaired.

**12. Force Majeure**

In respect to actions by the Company, the Company cannot be made liable for loss resulting from Swedish or foreign legislation, Swedish or foreign governmental actions, acts of war, terrorism, strikes, blockades, boycotts, lockouts or other similar circumstances. The reservation in respect to strikes, blockades, boycotts and lockouts shall apply even if the Company is itself the subject of such action.

Losses arising in other cases will not be reimbursed by the Company, if ordinary prudence has been observed. The Company shall not be responsible under any circumstances for indirect or other consequential damages. Neither is the Company responsible for any damage cause by the Warrant Holder or other by breaching the law, rules, regulations or theses terms and conditions. Hereby the Warrant Holders are made aware that it is the Warrant Holder responsibility that the documents provided to the Company are duly signed and that the Company is notified of any changes in the information provided.

In the event the Company, fully or partially, is prevented from taking actions due to circumstances mentioned above, the actions may be postponed until the obstacle is removed. If the Company due to such circumstance is prevented from making or receive payments, the Company or the Warrant Holder shall not be required to pay interest.

**13. Governing Law and Jurisdiction**

Swedish law shall apply on these terms, excluding its conflict of laws principles providing for the application of the laws of any other jurisdiction. Any dispute shall be finally settled by arbitration in accordance with the rules for expedited arbitration of the Arbitration Institute of Stockholm Chamber Commerce. The arbitration shall take place in Stockholm. The costs for the proceedings shall be borne by the Company irrespective of the outcome of the

proceedings, provided that if the Warrant Holder's request for arbitral proceedings is found obviously unfounded, the costs shall be paid by the Warrant Holder.

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