# Resolution on implementation of an incentive program by way of a directed issue of warrants and approval of transfer of warrants (item 11)

# (A) Implementation of an incentive program

The board of directors proposes that the Meeting resolves to implement a share-related incentive program for certain employees in the Company's subsidiary Kollect on Demand Ltd. (the "**Subsidiary**") on the principal terms and conditions below, by way of an issue of warrants directed to the Subsidiary and approval of the transfer of warrants from the Subsidiary to certain employees (the "**Incentive Program 2022/2025**").

- 1. The Incentive Program 2022/2025 comprises certain employees of the Subsidiary (the "Participants") and is based on warrants issued by the Company. No directors of the Company (apart from the CEO as capacity as an employee) nor its Subsidiaries will be allowed to participate. The incentive program will include approximately 30 Participants in total and the warrants shall be offered in accordance with the following principles:
  - a. The CEO A maximum of 66,720 warrants
  - b. Senior Management (4 Participants) A maximum of 126,768 warrants
  - c. Management (7 Participants) A maximum of 90,072 warrants
  - d. Staff (up to 18 Participants) A maximum of 50,040 warrants
- 2. Allotted warrants are vested for a period of three years, i.e., one-third each year.
- 3. Vesting requires that the Participant is still employed by the Subsidiary and has not terminated the employment on the day when the respective vesting takes place. In the event that a Participant ceases to be employed or terminate their employment with the Subsidiary before a vesting day, vested warrants may be exercised at the ordinary time for exercise as described below, but further vesting will not take place.
- 4. The warrants are granted free of charge.
- 5. Participants can exercise allotted and vested warrants during a period of 25 days after the release of the Q2 report 2025.
- 6. The warrants shall be regulated in separate agreements with the respective Participant. The agreement shall, inter alia, include provisions regarding good and bad leaver and restriction on transfer of the warrants. The board of directors shall be responsible for the design and management of the incentive program within the framework of the abovementioned principal terms and conditions.

In order to implement the Incentive Program 2022/2025, the board of directors proposes that the Meeting resolves to approve the terms and conditions of the Incentive Program 2022/2025 under this item (A) and that the Meeting resolves on a directed issue of warrants to Kollect on Demand Ltd and on approval of transfer of warrants from Kollect on Demand Ltd to the Participants, as proposed under items (B) and (C) below.

## (B) Resolution on a directed issue of warrants to Kollect on Demand Ltd

- 1. The Company shall issue no more than 333 600 warrants. Each warrant entitles to subscription of one (1) new share in the Company. If all warrants are subscribed, transferred to and exercised by the Participants for the subscription of new shares, the Company's share capital will increase by SEK 83,400 (subject to potential recalculations in accordance with the standard terms and conditions that is to apply in relation to the warrants).
- 2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by Kollect on Demand Ltd, after which they are to be transferred to the Participants in accordance with the resolution adopted by the Meeting and instructions from

the Company's board of directors. The reason for the deviation from shareholders' preemptive right is that the warrants may be used within the framework of the Incentive Program 2022/2025.

- 3. Subscription of warrants shall be made by Kollect on Demand Ltd on a subscription list immediately following the Meeting resolution on this issue of warrants. The board of directors shall be entitled to prolong the subscription period.
- 4. Kollect on Demand Ltd is not to pay anything for the warrants.
- 5. The warrants may be exercised for subscription of new shares during the period commencing on the day the Company releases its Q2 report in 2025 and the following 25 days. Subscription of new shares may not take place during so-called closed periods according to the EU Market Abuse Regulation, or otherwise in breach of relevant insider rules and regulations (including the Company's internal guidelines in this respect). Warrants that have not been exercised for subscription of shares by the last day of the exercise period shall lapse.
- 6. Each warrant shall entitle the Participants to subscribe for one new share in the Company at a subscription price amounting to 130 per cent of the volume weighted average price (VWAP) of the Kollect on Demand Holding AB share traded on Nasdaq First North Growth Market ten trading days before the annual general meeting. Any share premium shall be transferred to the unrestricted premium reserve.
- 7. The warrants shall be transferred to the Participants in accordance with instructions from the Company's board of directors in accordance with the principles set forth below.
- 8. The shares that are added through the exercise of warrants entitle the Participant to dividend from the first record date for dividends that occur after the share has been entered into the Company's share register.
- 9. The warrants shall be subject to additional terms and conditions, including customary recalculation conditions. As a result, the subscription price of the new shares and the number of shares that each warrant entitles to may be subject to recalculation as a result of certain events, e.g., split, combination and rights issues.
- 10. Upon full exercise of the warrants the shares in the Company will increase by 333,600, which corresponds to a dilution of approximately 3,30 per cent.

#### (C) Resolution on approval of transfer of warrants to the Participants

A resolution to implement the Incentive Program 2022/2025 by way of issuing warrants in accordance with this proposal also includes an approval of transfer of warrants to the Participants. The board of directors proposes that the Meeting resolves to approve of transfer of warrants from Kollect on Demand Ltd to the Participants.

# **Background and reasoning**

The reason for the adoption of the Incentive Program 2022/2025 and the deviation from shareholders' pre-emptive right to subscribe for new warrants is to be able to create opportunities for the Company and its subsidiary to retain competent personnel by offering a long-term ownership commitment for the employees. Such ownership involvement is expected to stimulate employees to increase their interest in the business and the earnings trend and increase the sense of belonging to the Company.

# **Preparation of the proposal**

The principles of the Incentive Program 2022/2025 have been developed by the Company's board of directors without the participation of John O'Connor. The proposal has been prepared with support of external advisors and after consultations with shareholders. The board of directors has thereafter decided to submit this proposal to the Meeting. Excluding those who prepared the

matter as instructed by the board, no employee who may be covered by the program has participated in the preparation of the proposal's terms.

## Costs and effects on key figures

Since the Incentive Program 2022/2025 only includes foreign employees, the board of directors considers that the program will not cause any costs in the form of accounting costs or social security contributions. The Incentive program will however cause certain administrative costs related to the preparation of the proposal, registration, and subscription of new shares with support of the warrants. The Incentive Program is not expected to have any effects on the Company's key figures.

## Other incentive programs

The Company has one other incentive program adopted by the annual general meeting in 2021.

A valid resolution pursuant to this item 11 requires that the resolution be supported by shareholders with at least nine-tenths 9/10 of both the votes cast and the number of shares represented at Meeting.