



the Company's board of directors. The reason for the deviation from shareholders' pre-emptive 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.*