

Item 13: Resolution on implementation of a long-term incentive programme in the form of a warrant programme for certain board members

The warrant programme in brief

Peas Industries AB as well as Altor Fund V (No. 1) AB and Altor Fund V (No. 2) AB (together, the “**Principal Owners**”), representing approximately 67 per cent of all shares and votes in the company, propose that the annual general meeting resolves to implement a long-term incentive programme for the board members Malin Persson and Ann Grevelius (provided that the annual general meeting resolves to re-elect the said persons as members of the board of directors of the company in accordance with the nomination committee’s proposal) in the form of a warrant programme (the “**Warrant Programme**”).

The Principal Owners’ proposal entails that the annual general meeting resolves (i) to implement a long-term incentive programme in the form of a warrant programme, (ii) on a directed issue of not more than 35,028 warrants to the company and (iii) to approve that the company transfers warrants to the participants of the Warrant Programme.

The purpose of the Warrant Programme and the reasons for the deviation from the shareholders’ preferential rights are to be able to offer the said members of the board of directors an opportunity to take part in value growth of the company’s shares, which can be expected to lead to an increased long-term commitment to the company’s operations and earnings development as well as increase the motivation and sense of belonging with the company. The Principal Owners believe that it may have a positive impact on the company’s continued development to the benefit of the company and its shareholders.

Issue of warrants series 2022/2026

The Principal Owners propose that the annual general meeting resolves to issue warrants in the company on the following terms and conditions.

Number of warrants to be issued

Not more than 35,028 warrants shall be issued.

Subscription right

The right to subscribe for the warrants shall, with deviation from the shareholders’ preferential rights, rest with the company.

Reason for deviation from the shareholders’ preferential rights

The reason for the deviation from the shareholders’ preferential rights is to be able to offer the said members of the board of directors an opportunity to take part in value growth of the company’s shares, which can be expected to lead to an

increased long-term commitment to the company's operations and earnings development as well as increase the motivation and sense of belonging with the company. The Principal Owners believe that it may have a positive impact on the company's continued development to the benefit of the company and its shareholders.

Subscription period

The warrants shall be subscribed for on a separate subscription list not later than on 6 May 2022.

Subscription price and payment

The warrants shall be issued free of charge.

Terms and conditions for the warrants

- (i) Each warrant shall entitle the holder to subscribe for one new share in the company.
- (ii) The subscription price for each new share shall be equal to an amount corresponding to 120 per cent of the volume-weighted average price for the company's share on the marketplace where the company's shares are listed from time to time during the period from and including 20 April 2022 up to and including 3 May 2022 (the "**Base Price**"). The Base Price and the subscription price determined in accordance with the above shall be rounded to the nearest SEK 0.10, whereupon SEK 0.05 shall be rounded downwards.
- (iii) The warrants may be exercised during the period from and including 1 June 2026 up to and including 30 June 2026. Pursuant to the terms and conditions of the warrants, the period during which the warrants may be exercised may be extended if holders are prevented from exercising their subscription rights due to applicable laws on insider trading or equivalent.
- (iv) The new shares shall carry rights to dividends for the first time on the record date for dividends that occurs immediately after the subscription has been effected.
- (v) Holders of the warrants shall have the right to, upon subscription of shares by exercise of the warrants, request that an alternative exercise model is applied in accordance with the complete terms and conditions of the warrants. Upon application of the alternative exercise model, (i) the subscription price for each share shall correspond to the quota value of the share and (ii) the warrants shall entitle to a re-calculated lower number of shares (subject to any re-calculation in accordance with the complete terms and conditions of the warrants). Assuming that the subscription price for subscription of shares by exercise of the warrants is determined at SEK 83.50 per share (*i.e.*,

corresponding to a Base Price of SEK 69.60), the alternative exercise model, if fully applied, would entail the following effects upon subscription of new shares by exercise of all 35,028 warrants if the share price for the company's shares upon subscription would correspond the amounts stated below:

Illustrative example based on an assumed subscription price of SEK 83.50 per share

Share price upon subscription	Total number of new shares	Total dilution
SEK 103.50	6,768	0.002%
SEK 123.50	11,345	0.004%
SEK 143.50	14,646	0.005%

The complete terms and conditions of the warrants will be available on the company's website (www.ox2.com) not later than on 13 April 2022. Pursuant to the terms and conditions of the warrants, the subscription price and the number of shares that each warrant entitles to subscription of may be subject to customary re-calculation in certain cases.

Increase of the share capital

The company's share capital may, upon exercise of all 35,028 warrants, increase by SEK 70.056 (calculated on a quota value of SEK 0.002), subject to such re-calculation of the number of shares that each warrant entitles to subscription of that may be made in accordance with the complete terms and conditions of the warrants and irrespective of if the alternative exercise model is applied. If the subscription price exceeds the quota value of the shares, the excess amount shall be allotted to the non-restricted statutory reserve (Sw. *den fria överkursfonden*).

Authorisation

The board of directors shall have the right to extend the subscription period for the warrants.

Approval of transfer of warrants to participants in the incentive programme

The Principal Owners propose that the annual general meeting resolves to approve that the company transfers not more than 35,028 warrants of series 2022/2026 to Malin Persson and Ann Grevelius (or retains and later transfers warrants to these persons) on the following terms and conditions.

Price and valuation

Payment of the warrants shall be made in cash. The warrants shall be acquired at an estimated market price, which shall be determined in accordance with the Black & Sholes valuation model. The valuation of the warrants shall be made by PwC.

The warrants' preliminary market price has, in accordance with a valuation based on a market value of the underlying share of SEK 69.60 (corresponding to the closing price of the company's share on Nasdaq First North Premier Growth Market on 25 March 2022), been determined to SEK 15.70 per warrant (assuming a subscription price of SEK 83.50 per share). In the preliminary valuation, PwC has assumed a risk-free interest rate of 0.9 per cent, a volatility of 35.0 per cent and an average expected dividend of 0.0 per cent during the term.

Allotment of warrants

The board of directors shall decide on the allotment of warrants in accordance with the following principles.

- (i) Malin Persson and Ann Grevelius shall be entitled to acquire a maximum of 17,514 warrants each.
- (ii) Transfer of warrants shall take place not later than on 31 May 2022.
If applicable insider rules prohibit a participant from acquiring warrants in the company before 31 May 2022, the board of directors shall be entitled to postpone this date.
- (iii) Warrants may only be transferred to the participants of the Warrant Programme if the respective person is still a member of the board of directors of the company at the time of the transfer.
- (iv) In connection with the transfer of warrants to the participants of the Warrant Programme, the company shall reserve the right to repurchase warrants if the participant's board assignment in the company terminates or if the participant wishes to transfer warrants.

Costs

Since the warrants will be transferred at market value, transfers to the participants of the Warrant Programme will not give rise to any social security costs for the group.

The Warrant Programme will give rise to certain limited costs related to the preparation and administration of the Warrant Programme.

Dilution effect and effect on key ratios

If all 35,028 warrants of series 2022/2026 are exercised for subscription of 35,028 new shares in the company, a dilution effect of approximately 0.01 per cent arises (calculated on the number of shares in the company at the time of the notice of annual general meeting). The dilution is expected to result in a corresponding dilution of the earnings per share in the company. If the alternative exercise model is applied, the dilution effect will be lower.

The costs for the Warrant Programme are expected to have a marginal effect on the group's key ratios.

Other incentive programmes in the company

Since 2020, the company has a share programme for senior executives and other key personnel, whereby the participants have purchased shares at market value in connection with the establishment of the programme. A total of 11,880,652 shares are included in the programme, of which 790,462 were acquired by the company's managing director and 789,168 shares were acquired by members of the board of directors of the company.

In addition to the Principal Owners' proposal for the Warrant Programme, the company's board of directors proposes that the annual general meeting resolves to implement a share savings programme for certain key persons (see separate proposal).

Preparation of the proposal

The Warrant Programme has been prepared by the Principal Owners.

Majority requirements

A resolution pursuant to item 13 is valid only where supported by shareholders holding not less than nine-tenths of the votes cast as well as the shares represented at the annual general meeting.

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