

Proposal of the board of directors of MAG Interactive AB (publ) for resolution on a long-term warrant program and issue of warrants – item 17

The board of directors proposes that the annual general meeting resolves on a long-term warrant program ("**Warrant Program 2021/2024**") and issuance of warrants, in accordance with the below.

Background and rationale

The board of directors considers it to be in the interest of the company and the shareholders that certain members of the executive management of the company are made part of the company's development by being offered warrants in a new incentive program. The reasons for the proposal are to contribute to the possibilities to retain and attract qualified personnel and to increase motivation for the executive management of the company by being involved in and working for a positive value increase of the company's shares during the period covered by the Warrant Program 2021/2024.

In light of the terms and conditions, size of allotment and other circumstances, the board of directors considers the Warrant Program 2021/2024, in accordance with the below, to be reasonable and advantageous for the company and its shareholders.

It is the board of directors' intention to, at the time of exercise of the warrants, resolve to offer the participants of the Warrant Program 2021/2024 a cashless exercise by way of a buy-back of warrants.

The board of directors' proposal for implementation of the Warrant Program 2021/2024 and issue of warrants

The board of directors proposes that the annual general meeting of the company resolves to issue warrants and implement the Warrant Program 2021/2024 mainly in accordance with the following terms:

In total, the Warrant Program 2021/2024 shall consist of no more than 264,947 warrants. Therefore, the board of directors proposes that the annual general meeting resolves to issue no more than 264,947 warrants of series 2021/2024:3.

The right to subscribe to no more than 264,947 warrants in Warrant Program 2021/2024 shall, in accordance with the below, and with deviation from the shareholders' pre-emption rights, be granted to the participants in the Warrant Program 2021/2024, which comprises of the company's executive management and certain members of the executive management in the company's subsidiary Sventertainment AB, however excluding the founders of MAG Interactive AB (publ) (Daniel Hasselberg, Kaj Nygren and Johan Persson).

Each warrant of series 2021/2024:3 entitles to subscription for one (1) share in MAG Interactive AB (publ) during the period from 1 April 2024 up to and including 3 June 2024. Subscription for new shares by way of exercising warrants of series 2021/2024:3 shall be made at a price per share corresponding to 150 per cent of the volume-weighted average trading price of MAG Interactive AB (publ)'s share on Nasdaq First North during the period from 21 January 2021 up to and including 29 January 2021 (whereby the calculated exercise price shall be rounded to the nearest even hundredth of a krona, whereupon 0.005 krona will be rounded up). The subscription price may not be less than the quota value of the shares. The subscription price and the number of shares that

each warrant of series 2021/2024:3 entitles may be subject to recalculation in the event of a bonus issue, split, rights issue, etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied. If the warrants of series 2021/2024:3 are exercised in full the share capital will increase by SEK 6,881.740260. Subscription and payment of the warrants shall take place on 12 February 2021. However, the board of directors shall be entitled to extend the subscription and payment period. There can be no over-subscription. For complete terms and conditions, see [Appendix 3](#) and [Appendix A3](#).

The warrants of series 2021/2024:3 shall be issued at a subscription price corresponding to the market value, calculated in accordance with the Black & Scholes valuation formula by an independent valuation firm appointed by the company, Svalner Skatt & Transaktion, immediately after the expiration of the measurement period on 29 January 2021. An example calculation according to the Black & Scholes formula based on an unchanged share price of SEK 24.39 result in a value of SEK 2.72 per warrant, whereby the following input have been used in the Black & Scholes calculation:

Exercise price:	SEK 36.585 (150% of the share price of SEK 24.39)
Risk-free interest:	-0.3%
Volatility:	40%
Duration (years):	3
Dividend yield:	0%
Illiquidity discount:	20%

The above calculation is only an example and the warrant value according to the final calculation that will be carried out by Svalner Skatt & Transaktion immediately after the expiration of the measurement period on 29 January 2021 may deviate from the above.

The warrants shall be governed by separate agreements between each participant and the company (or a subsidiary designated by the company). In the agreement, the participant undertakes to only exercise held warrants during the period from 1 April 2024 up to and including 1 May 2024, whereby the board of directors may, in individual cases, extend the exercise period up to and including 3 June 2024 if the participant, due to applicable rules, cannot exercise the warrants during the initial exercise period. In the agreement, the company also reserves the right to, under certain conditions, purchase the warrants from the participant if the participant's employment or assignment within the company terminates or if the participant wishes to transfer the warrants. Such purchase shall be made at the lower of the cost of acquisition of the warrants or the market value of the warrants. With the exception of purchases in connection with dismissal from employment (*Sw. avskedande*) or termination due to personal reasons (*Sw. uppsägning av personliga skäl*), the right of the company to purchase the warrants expires on 31 March 2024, or, under certain conditions, at an earlier date in case of a merger where the company is absorbed by another company or in case of a public offer for all shares in the company. The agreements will otherwise contain customary terms wherein some minor differences may occur due to national legal requirements.

The board of directors shall be responsible for the preparation and management of the Warrant Program 2021/2024 within the above mentioned substantial terms.

Dilution effect and costs, etc.

The board of directors' proposal to resolve on issuance of warrants entails a dilution effect corresponding to a maximum of approximately 1 per cent of the shares and votes in the company if the proposed warrants are exercised in full. The dilution effect is calculated as the relation between the additional shares that the warrants will be exercised for and the sum of the current number of shares and the additional shares that the warrants will be exercised for. The Warrant Program 2021/2024 is expected to have only marginal effects on the company's key ratios.

The board of directors' assessment is that the Warrant Program 2021/2024 will trigger costs mainly related to administration. The board of directors' assessment is that the Warrant Program 2021/2024 will not trigger any costs related to social security.

The total costs for administration are estimated to amount to approximately SEK 200,000.

Previous incentive programs in MAG Interactive AB (publ)

The company currently has one ongoing warrant program and two ongoing employee stock option programs for key employees and other employees. These previously approved incentive programs are, together with the Employee Stock Option Program 2021/2024 (item 16) and the Warrant Program 2021/2024, expected to entail a dilution of approximately 5.94 per cent of the total number of outstanding shares if all outstanding and proposed warrants are exercised in full. The dilution effect is calculated as the relation between the additional shares that the warrants will be exercised for and the sum of the current number of shares and the additional shares that the warrants will be exercised for. The costs of the incentive programs are expected to amount to approximately SEK one million in total. For a more detailed description of the company's other share related incentive programs, reference is made to the annual report for the financial year 2019/2020.

Preparation of the proposal

The proposal has been prepared by the board of directors together with external advisors.

Majority rules

The board of directors' proposal to approve the Warrant Program 2021/2024 and the issuance of warrants constitute an overall proposal and shall be resolved upon as one resolution. A resolution will only be validly adopted if shareholders holding no less than nine tenths (9/10) of both the votes cast and the shares represented at the meeting vote in favour of the resolution.

Stockholm, December 2020
MAG Interactive AB (publ)
The board of directors

Appendix 3***The board of directors' proposal of issuance of warrants (series 2021/2024:3)***

In order to enable the company's delivery of shares under the Warrant Program 2021/2024, the board of directors proposes that the annual general meeting resolves to issue not more than 264,947 warrants in accordance with the following:

1. Right to subscription of a total maximum number of 264,947 warrants shall, with deviation from the shareholders' pre-emption rights, be granted to the company's executive management (Magnus Wiklander, Sara Hjärtberg, Patric Blixt and Magnus Holmström), excluding the founders of the company as well as certain members of the executive management in the company's subsidiary Sventertainment AB.

The reason for the deviation from the shareholders' pre-emption rights is to implement a long-term incentive program for the executive management of MAG Interactive AB (publ).

2. Each warrant entitles to subscription for one (1) share in MAG Interactive AB (publ) during the period from 1 April 2024 up to and including 3 June 2024. Subscription for new shares by way of exercising warrants shall be at a price per share corresponding to 150 per cent of the volume-weighted average trading price of MAG Interactive AB (publ)'s share on Nasdaq First North during the period from 21 January 2021 up to and including 29 January 2021 (whereby the calculated subscription price shall be rounded to the nearest even hundredth of a krona, whereupon 0.005 krona will be rounded up). The subscription price may not be less than the quota value of the company's shares. The subscription price and the number of shares that each warrant entitles may be subject to recalculation in the event of a share split, reverse share split, new issue of shares, etc., in accordance with customary terms of recalculation. The warrants may, in accordance with customary terms of recalculation, be exercised before the subscription period ends in case of, for example, liquidation or a merger where MAG Interactive AB (publ) is absorbed by another company. If the warrants are exercised in full the share capital will increase by SEK 6,881.740260.
3. Subscription and payment of the warrants shall be on 12 February 2021. However, the board of directors shall be entitled to extend the subscription and payment period.
4. The warrants shall be issued at a subscription price corresponding to the market value, calculated in accordance with the Black & Scholes valuation formula by an independent valuation firm appointed by the company, Svalner Skatt & Transaktion, immediately after the expiration of the measurement period on 29 January 2021. An example calculation according to the Black & Scholes formula based on an unchanged share price of SEK 24.39 result in a warrant value of SEK 2.72 per warrant, whereby the following input have been used in the Black & Scholes calculation:

Exercise price:	SEK 36.585 (150% of the share price of SEK 24.39)
Risk-free interest:	-0.3%
Volatility:	40%
Duration (years):	3
Dividend yield:	0%
Illiquidity discount:	20%

5. The shares subscribed for by exercise of the warrants shall carry a right to dividends the first time as of the first record day for dividends that occurs after the subscription of shares by exercise of the warrants has been executed.
6. The warrants shall otherwise be governed by the terms and conditions as set out in Appendix A3.

It is further proposed to authorise Daniel Hasselberg to make any minor adjustments required for registration at the Swedish Companies Registration Office.

There can be no over-subscription.

APPENDIX A3

Terms and Conditions for Warrants 2021/2024:3**1. Definitions**

In these terms and conditions, the following terms shall have the following meanings.

"business day"	A day other than a Sunday or other public holiday in Sweden or as regards payment of debt is not equated with a public holiday;
"Bank"	Danske Bank A/S, Danmark, Sverige Filial or another account operator which the Company, from time to time, appoints to act as the Bank in accordance with these terms and conditions;
"Company"	MAG Interactive AB (publ), corporate registration number 556804-3524;
"Euroclear"	Euroclear Sweden AB or other central securities depository pursuant to the Swedish Financial Instruments (Account-keeping) Act (1998:1479);
"exercise price"	The price per share to be paid upon subscription of new shares;
"holder"	Any holder of warrants;
"market quotation"	Trading on a regulated market or other organized marketplace;
"subscription"	Such subscription of new shares in the Company through the exercise of a warrant in accordance with Chapter 14 of the Swedish Companies Act (2005:551);
"warrant"	The right to subscribe for a share in the Company with payment in cash in accordance with these terms and conditions;
"Warrant Program 2021/2024"	The long-term incentive program resolved upon at the annual general meeting held on 20 January 2021.

2. Warrants

The number of warrants amounts to not more than 264,947.

The Company shall issue warrant certificates payable to a certain person or order, representing a warrant or multiples thereof. At request of the holder of warrants, the Company carries out replacement and exchange of warrant certificates.

The board of directors of the Company shall have the right to decide that the warrants shall be registered by Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). In the event such a decision is

not taken, paragraphs four to seven below shall not apply. In the event such a decision is taken, paragraph four to six below shall apply instead of what is stated in the second paragraph above.

The holder of warrants shall, following that decision in accordance with the previous paragraph has been taken, on the Company's notification be obliged immediately to the Company or Euroclear submit all warrant certificates representing the warrants and notify the Company of the necessary information regarding the securities account in which the warrants of the holder shall be registered in accordance with the below.

The warrants shall be registered by Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) and, as a consequence, no physical securities shall be issued.

The warrants are registered on behalf of the holder at an account in the Company's securities depository register. Registration of the warrants as a consequence of measures according to section 5, 6, 7 and 11 below shall be made by the Bank. Other registration measures with respect to the account shall be made by the Bank or other account operator.

In the event that the board of directors has taken such a decision stated in the third paragraph above, the board shall thereafter be free to, with the restrictions that may follow by law or any other regulation, decide that the warrants should no longer be registered with Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). In the event such latter decision is taken, the second paragraph above shall apply instead of what is stated in the fourth to sixth paragraphs above.

3. The Right to Subscribe for New Shares

The holder shall for each warrant have the right to subscribe for one new share in the Company.

The exercise price shall be a price corresponding to 150 per cent of the volume-weighted average trading price of MAG Interactive AB (publ)'s share on Nasdaq First North during the period from 21 January 2021 up to and including 29 January 2021 (whereby the calculated exercise price shall be rounded to the nearest even hundredth of a krona, whereupon 0.005 krona will be rounded up). The subscription price may not be less than the quota value of the shares.

Recalculation of the exercise price as well as the number of new shares, which each warrant entitles to subscription for, can be made in the cases set forth in section 7 below. However, if such recalculation results in that the exercise price will be below the par value of the share of the Company, the exercise price shall continue to correspond to the par value.

Subscription can only be made for the entire number of shares, to which the aggregate number of warrants, that each holder wishes to exercise at the same time, entitles. At such subscription, any excess part of the warrant should be disregarded, which thus

cannot be utilized. Such excess amount of the warrant matures thereby without compensation.

4. Application for Subscription and Payment

Application for subscription of shares can occur during the period from 1 April 2024 up to and including 3 June 2024 or from and including and up to and including such earlier day as set forth in section 7 below. If application for subscription under the in the previous sentence specified time is not made, any rights under the warrants are invalid.

Upon such application, a written and completed application form, in accordance with a pre-established form, shall be filed with the Company or other party designated by the Company. Where appropriate, the holder shall simultaneously submit to the Company the warrant certificates representing the number of warrants that the application for subscription concerns. The application for subscription is binding and cannot be revoked by the subscriber.

At the application of subscription, payment in cash shall immediately be made for the number of shares to which the application for subscription refers. Payment shall be made to the account designated by the Company.

5. Registrations in the Share Register etc.

During the time the Company is not registered by Euroclear

Following the allocation, the subscription is effected by the Company's registration of the new shares in the Company's share register as interim shares. When the Swedish Companies Registration Office has registered the new shares, the Company's registration of the new shares in the Company's share register becomes final. As set out in section 7 below, such final registration may under certain circumstances be delayed.

During the time the Company is registered by Euroclear

Following the allocation, the subscription is effected by registration of the new shares in the VP-account as interim shares. When the Swedish Companies Registration Office has registered the new shares, the registration of the new shares at the VP-account becomes final. As set out in section 7 below, such final registration may under certain circumstances be delayed.

6. Dividend on New Shares

During the time the Company is not registered by Euroclear

Shares issued as a consequence of subscription shall be entitled to such dividend which is resolved after the execution of the subscription.

During the time the Company is registered by Euroclear

Shares issued as a consequence of subscription shall be entitled to dividend for the first time on the record day for dividend occurring immediately after the execution of the subscription.

7. Re-Calculation of the exercise price etc.

- (a) In the event the Company carries out a bonus issue – where application for subscription is made at such time that the subscription cannot be effected on or before the tenth calendar day prior to the shareholders’ meeting regarding the bonus issue – such subscription shall be effected only after a resolution with respect to the bonus issue has been passed by the shareholders’ meeting. Shares allotted as a consequence of a subscription effected after the resolution to carry out the issue are temporarily registered at the VP-account and do not entitle the holders to participate in the bonus issue. The final registration at the VP-account will occur first after the record day for the bonus issue.

If the Company is not registered by Euroclear at the time of the general meeting’s resolution on the issue, shares issued as a consequence of a subscription that is carried out at the time of the general meeting shall be entitled to participate in the issue.

In connection with subscriptions effected after the resolution regarding the bonus issue, the exercise price as well as the number of shares to which each warrant entitles the holders to subscribe for shall be recalculated. The recalculations shall be carried out by the Company in accordance with the following formulas:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the number of shares prior to the bonus issue}}{\text{the number of shares following the bonus issue}}$$

$$\text{the recalculated number of shares that each warrant entitles to subscription for} = \frac{\text{the previous number of shares that each warrant entitles to subscription of} \times \text{the number of shares prior to the bonus issue}}{\text{the number of shares following the bonus issue}}$$

The exercise price as well as the number of shares, recalculated in accordance with the above, shall be determined by the Company as soon as possible following the resolution of the shareholders’ meeting regarding the bonus issue but shall not be applied prior to the record day for the issue.

- (b) In the event the Company carries out a reverse share split or a share split, subsection (a) above shall apply, whereby the record day shall be the day when the reverse share split or share split, respectively, is registered with Euroclear, upon the request of the Company.

- (c) In the event the Company carries out a new issue of shares with payment in cash or by way of set off, with preferential rights for the shareholders, the following shall apply with respect to the right to participate in the share issue as regards shares allocated as a consequence of exercise of warrants:
- (i) Should the board of directors resolve to issue shares subject to the approval of the shareholders' meeting, or in accordance with an authorization of the shareholders' meeting, the resolution to issue shares shall set forth the last date upon which the subscription shall be effected in order for the shares, allocated as a consequence of exercise of warrants, to entitle the holders to participate in the issue of new shares. Such date may not be earlier than the tenth calendar day following the resolution.
 - (ii) Should the shareholders' meeting resolve to issue new shares, applications for subscription that is made at such time that it cannot be effected on or before the tenth calendar day prior to the shareholders' meeting regarding the issue of new shares shall be effected only after the Company has made the recalculation in accordance with this subsection (c), third last paragraph. Shares allotted in accordance with such subscription are temporarily registered at the VP-account and do not entitle the holders to participate in the issue.

If the Company is not registered by Euroclear at the time of the general meeting's resolution on the issue, shares issued as a consequence of a subscription that is carried out at the time of the general meeting shall be entitled to participate in the issue.

A recalculated exercise price, as well as a recalculated number of shares to which each warrant entitles to, is applied to subscriptions which are effected at such times that a right to participate in new issues of shares does not arise. The recalculations shall be carried out by the Company in accordance with the following formulas:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during the subscription period set forth in the resolution regarding the issue (the average price of the share)}}{\text{the average price of the shares increased by the theoretical value of the subscription right calculated on the basis thereof}}$$

$$\text{recalculated exercise price} = \frac{\text{the previous number of shares which each warrant entitles to subscription for} \times \text{(the average price of the shares increased by the theoretical value of the subscription right calculated on the basis thereof)}}{\text{the average price of the share}}$$

The average price of the share shall be deemed to be equivalent to the average of

the highest and lowest transaction price for the share according to the market quotation for each trading day during the subscription period. In the event that no transaction price is quoted, the bid price that is quoted as the closing price shall instead form the basis of the calculation. Days for which there are neither a transaction price nor a bid price, shall not be included in the calculation. The theoretical value of the subscription right shall be calculated in accordance with the following formula:

$$\text{the value of the subscription right} = \frac{\text{the maximum number of new shares that may be issued pursuant to the resolution} \times (\text{the average price of the share} - \text{the exercise price for the new share})}{\text{the number of shares prior to the resolution regarding the issue of new shares}}$$

Shares held by the Company or by subsidiaries of the Company shall not be considered in connection with the recalculation in accordance with the formula above. In the event of a negative value, the theoretical value of the subscription right shall be determined to be zero.

The recalculated exercise price and the recalculated number of shares set forth above shall be determined by the Company two banking days following the expiration of the subscription period and shall apply to subscriptions effected thereafter.

If the Company's shares are not subject to a market quotation, the recalculated exercise price and number of shares which each warrant entitles the holder to shall be determined in accordance with the principles set out in this paragraph by an independent valuer appointed by the Company. Recalculation shall be based upon that the value of the warrants shall remain unchanged.

Subscriptions shall only be effected on a preliminary basis during the period up to the date upon which the recalculated exercise price and the recalculated number of shares to which each warrant entitles to are determined, whereby the number of shares that each warrant entitles to, before recalculation, will be temporarily registered at the VP-account. It is further noted that each warrant, following recalculation, may entitle to additional shares. Final registration at the VP-account will be made when the recalculations have been determined. If the Company is not registered by Euroclear, the subscription for new shares is effected by the Company's registration of the new shares in the Company's share register as interim shares. Final registration in the share register will be made when the recalculation of the exercise price and the recalculation of the number of shares which each warrant entitle the holder to have been determined.

- (d) In the event the Company carries out an issue in accordance with Chapters 14 or 15 of the Swedish Companies Act with payment in cash or by way of set off, with preferential rights for the shareholders, the provisions contained in subsection (c), first paragraph, subsections (i) and (ii), and subsection (c), second paragraph, shall apply with respect to the right to participate in the issue for shares which were allotted as a consequence of subscription through exercise of warrants.

In connection with subscriptions effected at such times that the right to participate in new issues of shares does not arise, a recalculated exercise price as well as a recalculated number of shares to which each warrant entitles to subscription for shall be applied. The recalculations shall be made by the Company in accordance with the following formula:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during the subscription period set forth in the resolution regarding the issue (the average price of the share)}}{\text{the average price of the shares increased by the value of the subscription right}}$$

$$\frac{\text{the recalculated number of shares that each warrant entitles to subscription for}}{\text{the average price of the share}} = \frac{\text{the previous number of shares which each warrant entitles to subscription for} \times \text{(the average price of the shares increased by the value of the subscription right)}}{\text{the average price of the share}}$$

The average price of the share shall be calculated in accordance with the provisions set forth in subsection (c), above.

The value of the subscription right shall be deemed to correspond to the average of the highest and lowest transaction price of each trading day for the subscription right according to the market quotation, for each trading day during the subscription period. 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 for which there are neither a transaction price nor a bid price shall not be included in the calculation.

The recalculated exercise price and the recalculated number of shares as set forth above shall be determined by the Company two banking days following the expiration of the subscription period and shall apply to subscriptions effected thereafter.

If the Company's shares are not subject to a market quotation, the re-calculated exercise price and the re-calculated number of shares which each warrant entitles the holder to shall be determined in accordance with the principles set out in this paragraph by an independent valuer appointed by the Company. Recalculation shall be based upon that the value of the warrants shall remain unchanged.

To a subscription effected during the period prior to the determination of the recalculated exercise price and the recalculated number of shares, the provisions in subsection (c), final paragraph above, shall apply.

- (e) In the event the Company, under circumstances other than those set forth in subsections (a) through (d) above, directs an offer to the shareholders, with

preferential right pursuant to Chapter 13 § 1 of the Swedish Companies Act, to purchase securities or rights of any type from the Company, or where the Company resolves, pursuant to the principles set forth above, to distribute to its shareholders such securities or rights free of charge (the "offer"), a recalculated exercise price as well as a recalculated number of shares that each warrant entitles to subscription for, shall apply to subscription for shares made at such time that shares allocated as a consequence of such subscription do not entitle the holders to participate in the offer. The recalculation shall be made by the Company in accordance with the following formula:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during the application period set forth in the offer (the average price of the share)}}{\text{the average price of the share increased by the value of the right to participate in the offer}}$$

$$\text{the recalculated number of shares that each warrant entitles to subscription for} = \frac{\text{the previous number of shares which each warrant entitles to subscription for} \times \text{(the average price of the shares increased by the value of the purchase right)}}{\text{the average price of the share}}$$

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

In the event the shareholders have received purchase rights, and trading with these rights has occurred, the value of the right to participate in the offer shall be deemed to be equal to the value of the purchase right. The value of the purchase right shall be deemed to correspond to the average of the highest and lowest transaction price for the purchase right on the market quotation for each trading day during the subscription period. 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 for which there are neither a transaction price nor a bid price shall not be included in the calculation.

In the event that the shareholders have not received purchase rights, or if trade in the purchase rights as referred to in the preceding paragraph has not taken place, a recalculation of the exercise price and the number of shares shall be made, to the extent possible, in accordance with the principles set forth in this subsection (e), whereby the following shall apply. Where the securities or rights which are offered to the shareholders are listed, the value of the right to participate in the offer shall be deemed to correspond to the average of the highest and lowest transaction price for these securities or rights on the market quotation for each trading day during a period of twenty-five (25) trading days commencing on the first day of the listing, where applicable, decreased by the consideration paid for such securities in connection with the offer. 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 for

which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation. Upon recalculation of the exercise price and the number of shares in accordance with this paragraph, the application period as set forth in the offer shall be deemed to correspond to the above mentioned period of twenty-five (25) trading days. In the event a listing of the securities or rights which are offered to the shareholders does not take place, the value of the right to participate in the offer shall, to the extent possible, be established based upon the change in the market value of the Company's shares which may be deemed to have arisen as a consequence of the offer.

The exercise price and the number of shares, as recalculated in accordance with the above, shall be determined by the Company as soon as possible after the expiration of the application period and shall apply to subscription for shares effected thereafter.

To a subscription effected during the period prior to the determination of the recalculated exercise price and the recalculated number of shares, the provisions in subsection (c), final paragraph above, shall apply.

- (f) In the event the Company carries out an issue of new shares or an issue pursuant to Chapters 14 or 15 of the Swedish Companies Act with payment in cash or by way of set off, with preferential right for the shareholders, the Company may grant all holders the corresponding preferential right which, according to the resolution, the shareholders have. In such a situation, each holder, irrespective of whether subscription has been effected, shall be deemed to be the owner of such number of shares which the holder would have received had subscription of such number of shares that each warrant entitled to been effected at the time of the resolution regarding the issue.

Should the Company resolve to direct such an offer, as specified in subsection (e) above to the shareholders, the provisions set forth in the preceding paragraph shall apply. However, the number of shares which the holders shall be deemed to hold in such case shall be determined on the basis of the exercise price applicable at the time of the resolution regarding the offer.

In the event the Company resolves to grant the holders preferential right in accordance with the provisions set forth in this subsection (f), no recalculation shall take place in accordance with subsections (c), (d) or (e) above.

- (g) In the event the Company resolves to pay a cash dividend to the shareholders which, together with other dividends paid during the same financial year, exceeds fifteen (15) percent of the share's average price during a period of twenty-five (25) trading days immediately prior to the date upon which the board of directors of the Company announces its intention to propose that the shareholders' meeting resolves upon such dividend, shall a recalculated exercise price and a recalculated number of shares apply to application of subscription made at such time that the shares received do not entitle the shareholder to receive such dividend. The recalculation shall be based on the portion of the total dividend exceeding fifteen (15) percent of the share's average price during the abovementioned period (the

"extraordinary dividend"). The recalculations shall be carried out by the Company in accordance with the following formulas:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during a period of 25 trading days commencing on the date the share was listed without a right to an extraordinary dividend (the average price of the share)}}{\text{the average price of the share increased by the value of the extraordinary dividend paid per share}}$$

$$\frac{\text{the recalculated number of shares that each warrant entitles to subscription for}}{\text{the average price of the share}} = \frac{\text{the previous number of shares which each warrant entitles to subscription for} \times \text{(the average price of the shares increased by the value of the extraordinary dividend paid per share)}}{\text{the average price of the share}}$$

The average price of the share shall be deemed to be equivalent to the average of the highest and lowest transaction price according to the market quotation for each trading day during the aforementioned twenty-five (25) day period. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall instead form the basis of the calculation. Days for which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation.

The recalculated exercise price and number of shares in accordance with the above shall be determined by the Company two banking days after the expiration of the aforementioned period of twenty-five (25) trading days, and shall apply to subscriptions effected thereafter.

If the Company's shares are not subject to a market quotation and it is resolved on a cash dividend to the shareholders which means that the shareholders receive dividends which, together with other dividends paid during the same financial year, exceeds one hundred (100) percent of company's profit after tax for the financial year and fifteen (15) percent of the company's value, shall, to application of subscription made at such time that the shares received do not entitle the shareholder to receive such dividend, a recalculated exercise price and a recalculated number of shares that each warrant entitles the holder to subscribe for. The recalculation shall be based on the part of the total dividend that exceeds one hundred (100) percent of the company's profit after tax for the financial year and to fifteen (15) percent of the company's value and shall be determined in accordance with the principles set out in this paragraph by an independent valuer appointed by the Company. The recalculation shall be based upon that the value of the warrants shall remain unchanged, with, as regards the group contributions, taking into account the reduction in tax expenses for the company which results from the group contribution.

If an application for subscription has taken place but, due to the provisions in section 6 above, final registration at the VP-account has not taken place, it shall be noted that each warrant following recalculations may entitle to additional shares. Final registration at the VP-account takes place after the recalculation made by the Company, however, not earlier than at the point of time set forth in section 6 above. If the Company is not registered by Euroclear, the subscription for new shares is effected by the Company's registration of the new shares in the Company's share register as interim shares. Final registration in the share register will be made when the recalculation of the exercise price and the recalculation of the number of shares which each warrant entitle the holder to have been determined.

- (h) If the Company's share capital is reduced together with a distribution to the shareholders, and such reduction is compulsory, a recalculated exercise price and a recalculated number of shares that each warrant entitles to subscription for shall apply. The recalculations shall be made by the Company in accordance with the following formulas:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during a period of 25 trading days commencing on the date the share was listed without a right to repayment (the average price of the share)}}{\text{the average price of the share increased by the amount distributed per share}}$$

$$\text{the recalculated number of shares that each warrant entitles to subscription for} = \frac{\text{the previous number of shares which each warrant entitled the holder to subscribe for} \times \text{(the average price of the shares increased by the amount distributed per share)}}{\text{the average price of the share}}$$

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

In connection with recalculation in accordance with above, and if the reduction in the share capital is effected through redemption of shares, a recalculated amount of repayment shall be used in lieu of the actual amount per share that is repaid, in accordance with the following:

$$\text{recalculated repayment amount per share} = \frac{\text{the actual amount repaid per redeemed share reduced by the average transaction price of the share for a period of 25 trading days immediately prior to the date upon which the share was listed without a right to participate in the reduction (the average price of the share)}}{\text{the number of shares in the Company upon which the redemption of a share is based, decreased by one (1).}}$$

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

The recalculated exercise price and number of shares set forth above shall be determined by the Company two banking days after the expiration of the aforementioned period of twenty-five (25) trading days and shall apply to subscriptions effected thereafter.

Subscription is not effected during the time from the resolution regarding the reduction up to and including the day when the recalculation of the exercise price and the number of shares is determined as set out above. In the event the Company's share capital is reduced through a redemption of shares with repayment to the shareholders and the reduction is not mandatory, or if the Company, without a reduction of the share capital, should carry out a re-purchase of the Company's shares, and when in the opinion of the Company, considering the technical structure and the financial effects of such measure, it can be viewed as a mandatory reduction, recalculation of the exercise price and the number of shares that each warrant entitles to subscription for shall take place by application, to the extent possible, of the principles specifically set forth above in this subsection (h).

If the Company's shares are not subject to a market quotation, the recalculated exercise price and the recalculated number of shares which each warrant entitles the holder to shall be determined in accordance with the principles set out in this paragraph by an independent valuer appointed by the Company. Recalculation shall be based upon that the value of the warrants shall remain unchanged.

- (i) If the Company carries out a change of share capital currency, meaning that the Company's share capital shall be determined in currencies other than Swedish kronor, the exercise price shall be converted into the currency that the share capital is fixed in, and thereby rounded to two decimals. Such currency conversion is to be implemented by applying the exchange rate used for conversion of the share capital at the currency exchange.

The above recalculated exercise price shall be determined by the Company and shall apply to subscriptions made as of the date on which the change of share capital currency takes effect.

- (j) In the event the Company carries out any measure as set forth above in subsections (a) - (e) or subsections (g) - (i) above, and it is the opinion of the Company, considering the technical structure of the measure, or due to any other

reason, that the application of the intended recalculation formula may not be used, or would lead to an unreasonable financial return for the holders of the warrants compared to that of the shareholders, the Company shall carry out a recalculation of the exercise price and the number of shares that each warrant entitles to subscription for, for the purpose of ensuring that such recalculation leads to a fair result.

- (k) In connection with recalculations in accordance with the above, the exercise price shall be rounded off to the nearest tenth of a Swedish krona (SEK 0.10), whereby SEK 0.05 shall be rounded upwards and the number of shares shall be rounded down to the nearest number of whole shares. In the event that the exercise price is determined in currencies other than Swedish kronor, at conversions as described above, the exercise price shall instead be rounded off to two decimals.
- (l) In the event it is resolved that the Company shall enter into liquidation in accordance with Chapter 25 of the Swedish Companies Act, irrespective of the grounds for such liquidation, subscription may not be effected thereafter. The right to apply for subscription shall expire upon the resolution to liquidate the Company irrespective of whether such resolution has entered into effect.

Notice in accordance with section 9 below with respect to the intended liquidation shall be given to all known holders at a date not later than two months prior to the date of the shareholders' meeting regarding the voluntary liquidation of the Company pursuant to Chapter 25 Section 1 of the Swedish Companies Act. The notice shall state that applications for subscriptions may not be made following the resolution by the shareholders to liquidate the Company.

In the event the Company gives notice of the intended liquidation in accordance with the above, each holder, regardless of what is stated in section 4 regarding the earliest date upon which to apply for subscription, shall be entitled to apply for subscription from the date upon which the notice is given, provided that it is possible to effect such a subscription no later than on the tenth calendar day prior to the shareholders' meeting at which the liquidation shall be resolved upon.

- (m) In the event the shareholders' meeting approves a merger plan pursuant to Chapter 23 Section 15 of the Swedish Companies Act, whereby the Company is to be merged into another company, application for subscription may not be effected after such date.

Notice in accordance with section 9 below with respect to the intended merger shall be given to all known holders at a date not later than two months prior to the date of the shareholders' meeting regarding the merger. The notice shall set forth the substantial content of the intended merger plan and remind the holders that applications for subscriptions may not be made following the adoption of the final resolution regarding the merger by the shareholders as stated in the previous paragraph.

In the event the Company gives notice of the intended merger in accordance with the above, each holder, regardless of what is stated in section 4 regarding the earliest date upon which to apply for subscription, shall be entitled to apply for

subscription from the date upon which the notice regarding the intended merger is given, provided that it is possible to effect the subscription no later than on the tenth calendar day prior to the shareholders' meeting at which the merger plan, whereby the Company shall be merged into another company, shall be approved.

- (n) In the event the Company's board of directors prepares a merger plan in accordance with Chapter 23 Section 28 of the Swedish Companies Act pursuant to which the Company shall be merged into another company the following shall apply.

In the event the Company's board of directors announces its intention to prepare a merger plan in accordance with the provisions specified in the preceding paragraph, the Company shall establish a new final day for application for subscriptions ("expiration date") in the event the final day for share subscription pursuant to section 4 above falls on a day after the announcement. The new expiration date shall be set at a date within sixty (60) days after the announcement.

Where announcement has been made in accordance with the provisions set forth above in this subsection (n), the holders shall be entitled to apply for subscription until the expiration date, regardless of the provisions stated in section 4 above with respect to the earliest date upon which the subscription can be effected. The Company shall provide written notice in accordance with section 9 to the known holders not later than four weeks prior to the expiration date with respect to this right and the fact that the holder may not apply for subscription after the expiration date.

- (o) In the event the shareholders' meeting approves a de-merger plan in accordance with Chapter 24 Section 17 of the Swedish Companies Act, whereby the Company is divided by all of its assets and liabilities being transferred to two or several other companies, application for subscription may not be made after such date.

Notice with respect to the intended de-merger shall be given in accordance with section 9 above to all known holders at a date not later than two months prior to the date of the shareholders' meeting regarding the de-merger. The notice shall include a description of the main provisions of the intended de-merger plan and remind the holders that applications for subscriptions may not be made following the final resolution regarding the de-merger.

In the event the Company gives notice of the intended de-merger in accordance with above, each holder, regardless of what is stated in section 4 regarding the earliest date upon which to apply for subscription, shall be entitled to apply for subscription from the date upon which the notice is given, provided that it is possible to effect the subscription no later than on the tenth calendar day prior to the shareholders' meeting at which the demerger shall be resolved upon.

- (p) Notwithstanding what is set forth in subsections (l), (m), (n) and (o) above regarding that subscription may not take place following a resolution to liquidate the Company, the approval of a merger plan, after the new expiration date in connection with a merger, or approval of a de-merger plan, the right to apply for

subscription shall apply in the event the liquidation is terminated or the merger or de-merger is not carried out.

- (q) In the event the Company is placed into bankruptcy, application for subscription may not thereafter be made. In the event, however, that the order placing the Company into bankruptcy is annulled by a court of higher instance, subscription may again take place.

8. Broker

For warrants that are registered in the name of a bank trust department or with a private securities broker according to the Swedish Financial Instrument Accounts Act (1998:1479), the trust department or the private securities broker shall be considered as the holder under these terms and conditions.

9. Notices

Notices relating the warrants shall be sent to holders who in writing have noticed their postal address to the Company.

In the event the warrants are registered by Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479), the notices relating to the warrants shall, instead of what is stated in the preceding paragraph, be provided to each registered holder and other person holding a right that is registered at a VP-account in the Company's securities depository register.

If the warrants are subject to market quotation, the market place shall also be notified and the notice shall be published in accordance with rules of the market place.

10. The Right to Represent Holders

Without special authorization from the holders, the Bank is authorized to represent the holders in issues of a formal nature relating to the terms of the warrants.

11. Amendments of Terms and Conditions

The Company may make amendments of these terms and conditions if required by law, court decisions or decisions by authorities or if it otherwise – according to the Company's opinion – is appropriate or necessary due to practical reasons and the holders' rights are not materially deteriorated.

12. Confidentiality

The Company, the Bank and Euroclear may not unauthorized disclose information to a third party regarding the holders. The Company has the right to get the following information from Euroclear regarding the holder's account with Euroclear in the Company's securities depository register.

1. the holder's name, social security number or any other identification number and the postal address, and

2. the number of warrants.

13. Limitations Regarding the Responsibility of the Company, the Bank and Euroclear

For the measures that shall be taken by the Company, the Bank and Euroclear – regarding Euroclear with respect to the provisions in the Swedish Financial Instrument Accounts Act (1998:1479) – the Company, the Bank and Euroclear is not liable for damages as a consequence of Swedish or other countries' legislative amendments, the actions of governmental agencies in Sweden or other countries, acts of war, strikes, blockades, boycotts, lockouts or similar measures. The reservation with respect to strikes, blockades, boycotts and lockouts is applicable even where the Company, the Bank or Euroclear has taken or is the object of such measures.

Furthermore, the Company, the Bank and Euroclear are not liable to compensate for damages arising in situations in which the Company, the Bank and Euroclear have exercised a normal standard of care. The Company, the Bank and Euroclear is not under any circumstances liable to pay compensation for indirect damages.

In the event the Company, the Bank or Euroclear is not able to make a payment or take any other measure due to circumstances set forth in the first paragraph, the payment or the measures may be postponed until such a time that the impediment has been removed.

14. Applicable Law and Arbitration

These terms and conditions for the warrants and all legal issues related hereto shall be governed by Swedish law.

Any dispute arising out of, or in connection with, these terms and conditions shall be finally settled by arbitration in accordance with the Rules of Arbitration of the Stockholm Chamber of Commerce. The place of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be Swedish.

Arbitral proceedings conducted with reference to this arbitration clause shall be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party. In case warrants are assigned or transferred to a third party, such third party shall automatically be bound by the provisions of this arbitration clause.
