

The Board of Directors' proposal on the establishment of an incentive program through the issue of warrants of series 2021/2025

The Board of Directors in Vestum AB (publ), reg. no. 556578-2496, (the “**Company**”), proposes that the EGM resolves on the establishment of a warrant based incentive program through the issue of warrants of series 2021/2025 to the Company, or a subsidiary designated by the Company, and approves the transfer of warrants of series 2021/2025 to certain employees within the group on the terms and conditions set out below.

Background

The Board of Directors believes that it is important and in the interest of all shareholders that group management and other key persons, who are deemed important for the further development of the Company, have a long term interest in good value growth for the Company's shares. A personal long-term shareholder commitment can be expected to contribute to an increased interest in the Company's business and performance, as well as to increase participants' motivation and affinity with the Company and its shareholders.

An explanation of the preparation of the proposal, the costs of the program and the impact on key figures is given in Appendix A.

A. Issue of warrants

The Board of Directors proposes that the EGM resolves on a directed issue of maximum 3,520,193 warrants of series 2021/2025, (calculated after completion of the share split according to item 9 on the agenda for the EGM), resulting in an increase of the Company's share capital, if the warrants are exercised in full, of maximum approximately SEK 1,173,397.66. The resolution shall be subject to the following conditions.

1. Number of warrants issued

The Company shall issue a maximum of 3,520,193 warrants of series 2021/2025, (calculated after completion of the share split according to item 9 on the agenda for the EGM). Each warrant carries the right to subscribe for one (1) new share in the Company.

2. Subscription right

The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be exclusive to the Company, or a subsidiary designated by the Company, with the right and obligation to transfer the warrants to employees in the Company or the Company's subsidiaries in accordance with section B below. The reason for deviating from the shareholders' preferential rights is that the warrants shall be utilised to implement the incentive program 2021/2025.

3. Issue price

The warrants shall be issued free of charge to the Company, or a subsidiary designated by the Company.

4. Time for subscription

The warrants must be subscribed for on a separate subscription list within two weeks from the date of the issue decision. The Board of Directors has the right to extend the subscription period.

5. Time for exercise of warrants

Each warrant entitles the holder to subscribe for one (1) new share in the Company. The warrants can be exercised by notification of subscription for new shares during the period from 1 January 2025 to 31 March 2025.

6. Subscription price

The subscription price per share upon exercise of the warrant shall be an amount equal to 150 per cent of the calculated volume weighted average price of the Company's share on Nasdaq First North Growth Market during the period from 20 December 2021 up to and including 4 January 2022 (part of which period may be based on pro forma recalculated price data from Nasdaq First North Growth Market before the share split is executed). If the Company has inside information during this period, the Board of Directors shall have the right to postpone the measurement period. The subscription price may not be lower than the current quota value of the share. In the event that the subscription price exceeds the quota value of the previous shares, the excess amount (the excess price) shall be recorded in the free share premium fund in the Company's balance sheet.

7. Increase in share capital

The increase in the Company's share capital, if the warrants are exercised in full, may amount to maximum approximately SEK 1,173,397.66 (assuming the current quota value and that no conversion has taken place in accordance with the full terms and conditions of the warrants).

8. Dividend

Shares subscribed for with the exercise of the warrants carry the right to a dividend for the first time on the record date for dividends that falls closest after subscription has been executed.

9. Full terms and conditions

The full terms and conditions for the warrants are set out in Appendix B – "Terms and conditions for Vestum AB (publ) warrants 2021/2025". Among other things, section 8 in Appendix B states that the subscription price as well as the number of shares for which each warrant entitles the holder to subscribe may be recalculated in the event of a bonus issue, new issue or in certain other cases. It was noted that the share split proposed by the Board of Directors under item 9 on the agenda of the EGM will not entail any recalculation.

B. Approval of transfer of warrants

The Board of Directors further proposes that the EGM resolves to approve that the Company, or a subsidiary designated by the Company, within incentive program 2021/2025, may transfer a maximum of 3,520,193 of series 2021/2025 to employees in the Company or the Company's subsidiaries on the following conditions.

1. Participants and allocation

The right to acquire warrants from the Company, or a subsidiary designated by the Company, shall be granted to the following categories of employees in the Company or the Company's subsidiaries.

Category	Number of warrants per category	Maximum number of warrants per person
A. CEO (maximum 1 person)	364,370	-
B. Country Managers (maximum 2 people)	1,074,894	862,447
C. Group Management (maximum 5 people)	422,425	84,485
D. Country Management (maximum 14 people)	894,344	96,805
E. Group - Key Employees (maximum 6 people)	193,920	35,202
F. Portfolio Companies - Key Employees (maximum 94 people)	570,240	6,160

If warrants within a certain category remain after all applications within the category have been satisfied, the remaining number may be allocated to category A (CEO). The Board of Directors of the Company decides on the final allocation.

The right to acquire warrants shall only be granted to those persons who have not resigned or been dismissed at the end of the notification period.

Transfer of warrants to participants is conditional upon it being legally possible to purchase the warrants, and that such transfers can be done using reasonable administrative and financial resources according to the assessment of the Board of Directors.

Warrants held by the Company, or a subsidiary designated by the Company, which has not been transferred in accordance with this section B.1 or which have been repurchased from participants, may either be transferred again to employees within the Company or the Company's subsidiaries or be cancelled pursuant to resolution by the Board of Directors. Cancellation shall be reported to the Swedish Companies Registration Office for registration.

2. Price and payment

The warrants shall be transferred on market terms at a price equal to an estimated market value of the warrants using a generally accepted valuation model calculated by an independent valuation institution. Such valuation shall be carried out by PwC. For acquisitions made by new employees after the end of the initial notification period, the new market price shall be determined accordingly.

Payment for allotted warrants shall be made in cash consideration no later than ten banking days after notification of participation. In the event of a transfer of warrants to new employees, the Board of Directors shall determine a corresponding payment date. The warrants shall otherwise be subject to market conditions.

3. Right of first refusal and termination of employment

A prerequisite for being allotted warrants is that the participant signs a right of first refusal to the Company. Pursuant to the right of first refusal, the warrants are subject to an obligation for the participant, who wish to sell or otherwise transfer its warrants to a third party, to first offer the Company, or its subsidiary, to acquire the warrants. The warrants shall also be subject to a right for the Company, or its subsidiary, to repurchase the warrants if the participant's employment or assignment ends during the term of the incentive program.

The Board of Directors, or the person appointed by the Board of Directors, be authorised to make such minor adjustments to the above resolution as may be required by the registration thereof with the Swedish Companies Registration Office or Euroclear Sweden AB.

In order for the EGM's decision to be valid, the proposal must be supported by shareholders representing no less than nine tenths of the votes cast and the shares represented at the meeting.

Stockholm in November 2021
Vestum AB (publ)
The Board of Directors

Preparation of the Board of Directors' proposal on incentive program 2021/2025

The proposed incentive program 2021/2025 has been prepared by the Board of Directors after obtaining input from shareholders and external advisors.

Valuation etc.

The warrants shall be transferred to the employees at a price corresponding to the estimated market value. The valuation of the warrants shall be based on the Black & Scholes valuation model and accepted assumptions about, among other things, volatility and risk-free interest at the time of the transfer.

For the warrants, the value has been preliminary calculated to SEK 6.37 per option based on a share price of SEK 163.40, which corresponded to the pro forma closing price of SEK 54.50 for the Company's share on 15 November 2021, calculated after the share split according to item 9 on the agenda for the EGM, an assumption of a subscription price of SEK 81.80 per share, a risk-free interest rate of -0.04 percent and a volatility of 35 percent. The preliminary valuation has been carried out by PwC.

Dilution, costs and impact on key figures

In the event of full subscription and full exercise of the warrants, the Company's share capital will be increased by a maximum of approximately SEK 1,173,397.66 through the issue of a maximum of 3,520,193 shares, each with a quota value of SEK 0.33 (after completion of the share split), subject, however, to the conversion that may be required under the terms of the warrants. These new shares, when fully exercised, represent approximately 1 percent of the total number of shares and votes in the Company. The dilution effect has been calculated as the number of shares and votes that can be issued at most divided by the total number of shares and votes in the Company before such issue.

The current warrant program is expected to have a marginal impact on the Company's key figures. Taking into account that the warrants of series 2021/2025 are to be subscribed for at market value, the warrant program is not expected to entail any costs other than certain minor set-up and administration costs as regards employees with residence in Sweden.

In case of full subscription at a price corresponding to the calculated value in the example above under " Valuation etc.", the Company will receive a total option premium of SEK 22.4 million. If the warrants are fully exercised and the subscription price is SEK 81.8, the Company will receive an additional issue proceeds of SEK 288.0 million.

Other outstanding share-based incentive programs

There are no other outstanding share-based incentive programs in the Company.