

The Board of Directors' of Norva24 Group AB (publ), reg. no. 559226–2553, proposal regarding (A) resolution on adoption of a long-term incentive program for management and key personnel and (B) transfer of shares under the long-term incentive program

The board of directors (the “**Board of Directors**”) of Norva24 Group AB (publ) (the “**Company**”) and, together with its subsidiaries, the “**Group**”) proposes that the Annual General Meeting resolves on the adoption of a stock-option based long-term incentive program for the Group’s management and key personnel (“**LTIP 2023**”) and on transfer of bought-back shares according to items (A) and (B) below.

(A) – Adoption of a long-term incentive program for management and key personnel

Overview and background

LTIP 2023 is a program under which the participants, conditioned by an investment in the Company’s shares, will be granted stock options to acquire additional shares in the Company for a pre-determined price (“**Options**”), subject to vesting over a three-year period in accordance with the below.

LTIP 2023 encompasses up to 35 employees of the Group. LTIP 2023 is intended for members of management and key personnel. The Board of Directors believes that an equity-based incentive program in the form of stock options is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate competent members of management and key personnel, and to focus the participants on delivering exceptional performance, which contributes to value creation for all shareholders.

Investment in Qualification Shares

Participation in the LTIP 2023 requires that participants, directly or indirectly through a company, with their own funds, acquire shares in the Company at market price on Nasdaq Stockholm (“**Qualification Shares**”).

The Qualification Shares shall be acquired no later than 31 July 2023 (the “**Qualification End Date**”). Subject to approval by the Board of Directors, the participants may also request to have shares that the participant already have acquired during 2023 to be designated as Qualification Shares. If the participant has inside information or otherwise is prevented from acquiring Qualification Shares before the Qualification End Date, the Qualification Shares must instead be acquired as soon as possible, and no later than 31 December 2023.

Additional persons who have been recruited but who have not yet started their employment in the Group before the Qualification End Date, may be offered participation conditional on the employment being started and the relevant participant acquiring Qualification Shares no later than 31 December 2023.

Conditions for the Options

The following conditions shall apply for the Options.

- (i) The Options shall be granted free of charge to the participants.
- (ii) For each Qualification Share acquired by a participant, the participant will be awarded 40 Options.
- (iii) The maximum number of Options that may be allocated to the participants under LTIP 2023 is 2,283,534. The maximum allocation per individual in each category shall be 230,000 Options for Category 1 (CEO), 171,265 Options for Category 2 (CFO and CCDO), 114,177 Options for Category 3 (Country CEOs) and 57,088 Options for Category 4 (Branch managers and other key employees).
- (iv) The Board of Directors shall resolve upon the allocation of Options (on one or several occasions) as soon as possible after the Qualification End Date (the “**Grant Date**”).

- (v) Each Option entitles the holder to acquire one share in the Company at a pre-determined exercise price corresponding to 120 percent of the volume weighted average price for the Company's share on Nasdaq Stockholm during the twenty (20) trading days preceding the date of publication of the Group's interim financial report for January-March 2023. For participants who have been recruited but who have not yet started their employment in the Group before the Qualification End Date and that have been offered participation in LTIP 2023, the pre-determined exercise price will correspond to 120 percent of the volume weighted average price for the Company's share on Nasdaq Stockholm during the twenty (20) trading days preceding the relevant Grant Date.
- (vi) The Options shall vest over a three-year period, with one third of the Options vesting on the first anniversary of the Grant Date, one third of the Options vesting on the second anniversary of the Grant Date, and one third of the Options vesting on the third anniversary of the Grant Date (the "**Vesting End Date**"), and thereafter be exercisable, provided that the participant (i) has remained employed by the Group, and (ii) has retained and not sold or transferred any of its Qualification Shares prior to the Vesting End Date (subject to customary exceptions, as determined by the Board of Directors). In the event that a participant's employment is terminated before all Options have vested and been exercised, the participant will only be entitled to exercise the Options that have been vested before the participant's employment was terminated (subject to customary exceptions, as determined by the Board of Directors).
- (vii) The Options may be exercised during a period of three (3) months from the Vesting End Date.
- (viii) The Options are non-transferable and may not be pledged.
- (ix) The Options may be granted by the Company as well as any other company in the Group.
- (x) In the event of a public take-over offer, a sale of the Group's business, a significant asset sale, liquidation, merger or any other such transaction affecting the Company, the Options will vest immediately.

Scope

The total amount of shares in the Company that can be allocated to the participants under LTIP 2023 amounts to 2,283,534 shares, which represents approximately 1.25 percent of the outstanding shares and votes in the Company as of the date of this proposal.

Recalculations

The number of Options, the number of shares each Option entitles the holder to acquire and the price per share shall be subject to customary re-calculation terms (as determined by the Board of Directors), for example in the event that changes occur in the Company's equity capital structure (such as a bonus issue, merger, rights issue, share split or reverse share split or reduction of the share capital) and similar corporate actions, with regard to customary practice for similar incentive plans.

Plan rules and adjustment of the LTIP 2023 terms

The Board of Directors, or the Remuneration Committee, shall be responsible for preparing the detailed plan rules of LTIP 2023, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to comply with foreign regulations or market practice, including resolving on cash or other settlement if deemed favourable for the Group based on foreign tax regulations.

The Board of Directors may also make other adjustments if significant changes in the Group or its environment would result in a situation where the adopted terms and conditions of LTIP 2023 no longer serve their purpose.

Delivery of shares under LTIP 2023

In order to secure the delivery of shares in the Company under LTIP 2023, the Board of Directors proposes that the Board of Directors shall be entitled to transfer bought-back shares in the Company to the participants (pursuant to item (B) below). Alternatively, if the applicable majority requirements are not met, the Board of Directors proposes that the Company shall enter into so-called equity swap agreements with a third party in order to fulfil its obligations under the LTIP 2023. The Board of Directors regards the first alternative, *i.e.* the transfer of bought-back shares to the participants, to be the most cost efficient and flexible arrangement for the delivery of shares.

Estimated costs and effect of key performance indicators

LTIP 2023 will be accounted for in accordance with IFRS 2 on share-based payments. Social security costs will be expensed in the income statement according to UFR 7 during the vesting period.

Assuming a share price at the time of allocation of Options of SEK 30, a strike price for the Options at SEK 36, an annual increase in the share price of 20 percent and that all Options are allocated up-front, the average annual cost for the Company is estimated to approximately SEK 2.5 million per year before tax. The average annual social security costs over the vesting period are estimated to approximately a total of SEK 2.4 million, based on the above assumptions, that all Options are fully vested, a vesting period for all Options of three years and estimated social security costs of 20 percent. The social security costs associated with LTIP 2023 will be covered by the cash received from sale of treasury shares by the Company on Nasdaq Stockholm. The social security costs associated with LTIP 2023 will hence be fully covered and will not affect the Company's cash flow.

The total cost of LTIP 2023, including all social security costs, is estimated to amount to approximately SEK 14.7 million under the above assumptions. The costs associated with LTIP 2023 are expected to have a marginal effect on the Company's key performance indicators.

Preparation of this proposal

LTIP 2023 has been initiated by the Board of Directors and prepared together with external advisors based on an evaluation of prior incentive programs and market practice for comparable companies. LTIP 2023 has been prepared by the Remuneration Committee and reviewed by the Board of Directors.

Other incentive programs in the Group

Information about existing incentive programs can be found in the Company's annual report 2022.

Majority requirements

A resolution to introduce LTIP 2023, in accordance with the Board of Directors' proposal pursuant to this item (A), is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

(B) – Transfer of shares under LTIP 2023

Background

In order to implement LTIP 2023 in a cost-efficient and flexible manner, the Board of Directors has considered different methods for ensuring the delivery of shares in the Company to participants upon exercise of the Options under LTIP 2023. Based on these considerations, the Board of Directors intends to ensure delivery by transferring shares held by the Company to the participants. A transfer of the Company's bought-back shares in this way requires a particularly high majority to be met at the Annual General Meeting. In the event that the Board of Directors' proposal regarding the transfer of bought-back shares to the participants does not receive the required majority, the Board of Directors intends to enter into an equity swap agreement with a third party to secure that delivery of shares in the Company can be made to the participants.

The Board of Directors' proposal on resolution of transfer of bought-back shares to the participants

The Board of Directors therefore proposes that the Annual General Meeting resolves on the transfer of bought-back shares in accordance with the terms set out below:

- (i) Transfer can be made of a maximum of 2,283,534 shares in the Company to participants in LTIP 2023 (or a higher number that may result from a recalculation in the event that changes occur in the Company's equity capital structure (such as a bonus issue, merger, rights issue, share split or reverse share split or reduction of the share capital) and similar corporate actions, with regard to customary practice for similar incentive plans).
- (ii) The transfer of shares shall be made against payment of a pre-determined exercise price corresponding to 120 percent of the volume weighted average price for the Company's share on Nasdaq Stockholm during the twenty (20) trading days preceding the date of publication of the Group's interim financial report for January-March 2023 (or, for participants who have been recruited but who have not yet started their employment in the Group before the Qualification End Date, 120 percent of the volume weighted average price for the Company's share on Nasdaq Stockholm during the twenty (20) trading days preceding the relevant Grant Date), and at the time according to the terms and conditions when the participants in LTIP 2023 are entitled to receive shares.

The reason for the deviation from the shareholders' preferential rights is that the transfer of the shares is part of executing and settling LTIP 2023. Therefore, and in light of the above, the Board of Directors considers beneficial for Company to transfer shares in accordance with the proposal.

Majority requirement

The Board of Directors' proposal above is valid if supported by shareholders holding no less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting. The Board of Directors' proposal pursuant to this item (B) is conditional upon that the Board of Directors' proposal on LTIP 2023 is approved by the Annual General Meeting (item (A) above).

Stockholm, April 2023
Norva24 Group AB (publ)
The Board of Directors