

# Terms and conditions for the warrants in Incentive Program 2021/2025A in Hoylu AB (publ)

## 1 Definitions

The definitions below shall apply to the terms as used here in these terms and conditions.

**"Banking Day"** refers to days, which are not Saturdays or Sundays or other public holiday;

**"Bank"** refers the bank or other institute that the Company, from time to time, has appointed as issuing agent pursuant to these terms and conditions;

**"Company"** refers to Hoylu AB (publ), reg. no 559084-6381;

**"Euroclear"** refers to Euroclear Sweden AB, reg. no 556112-8074 or a similar account-keeping institution according to the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw: Lagen om värdepapperscentraler och kontoföring av finansiella instrument, SFS 1998:1479);

**"Holder"** refers to a holder of a Warrant;

**"Warrant"** refers a right to subscribe for a share in the Company in accordance with these terms and conditions.

## 2 The Warrants

2.1 The total number of issued Warrants amounts to 2,990,000.

2.2 The board of directors of the Company is entitled to resolve that the Warrants shall be registered on a Central Securities Depository Account. In such event, no warrant certificates or other securities shall be issued. Upon request by the Company, Holders shall be obliged to promptly return all warrant certificates representing the Warrants and to provide the Company with details of the securities account on which the Holder's Warrants are to be registered.

2.3 The Company undertakes, in relation to each Holder, to assure that the Holder is given the right to subscribe for shares in the Company against cash payment under the terms and conditions as set out below.

### **3 Right to subscribe for new shares and subscription price**

- 3.1 Every warrant entitles to subscription of one new share in the Company against payment of a subscription price amounting to 125 per cent of the volume weighted average price (VWAP) of the Hoylu share traded on Nasdaq First North Growth Market ten trading days before the extraordinary general meeting held on March 23, 2021. Any share premium shall be transferred to the unrestricted premium reserve.
- 3.2 The subscription price, and the number of new shares that each Warrant entitles to, may be recalculated in the situations set out in paragraph 0 below. Recalculation may never result in a subscription price that is lower than the share's quotient value.
- 3.3 Subscription may only be made of an entire number of shares, to which the total number of Warrants entitles, and which the Holder requests to exercise. Excess Warrants, or excess amount thereof, that cannot be exercised in connection with such subscription will, to the extent possible, be sold by the Bank on behalf of the subscriber in connection with the subscription and payment of a cash amount less the Bank's costs will be made immediately thereafter.

### **4 Subscription and payment**

- 4.1 Subscription of shares will take place during the period from January 1, 2025 until June 30, 2025.
- 4.2 Upon subscription, the completed application form in accordance with the established form must be submitted to the Company or an account operator designated by the Company. Subscription is binding and cannot be revoked by the subscriber. If subscription is not made within the subscription period, all rights under the Warrants will cease to apply.
- 4.3 In connection with subscription, cash payment must be made at once for the number of shares to which subscription refers. Payment shall be made in cash to an account designated by the Company.

### **5 Recording in the share register**

Following subscription and payment, allotment of shares is executed through the registration of new shares in the Company's share register as interim shares. Following registration of these shares with the Swedish Companies Registration Office (Sw. Bolagsverket), the registration of the new shares in the share register of the Company will become final. As set out in paragraph **Error! Reference source not found.** below, such final registration will be postponed in some cases.

**6 Dividend**

Shares issued following exercise of Warrants entitle to dividend payment for the first time on the record date for payment of dividends that falls first after the subscription is registered with the Swedish Companies Registration Office and the shares have been recorded in the Company's share registered kept by Euroclear.

**7 Recalculation etc.**

The following shall govern the Holders' rights in the event of circumstances as set forth below. Recalculations shall be conducted by a bank appointed by the Company.

- A. In the event that the Company carries out a **bonus issue of shares**, where a notification of subscription is made at such time that it cannot be effected on or before the fifth Banking day prior to the general meeting that resolves to carry out the bonus issue, the Warrants shall be effected first after a resolution has been adopted by the general meeting in respect thereof. Shares that have been issued upon subscription effected after the adoption of said resolution for a bonus share issue shall be registered on an interim basis in the securities account, which means they will not carry the right to participate in said bonus share issue. Final registration in the securities account shall be executed first on the record date for the bonus issue. For subscription effected after resolution to carry out a bonus share issue, a recalculated subscription price as well as a recalculation of the number of shares that each Warrant entitles to subscription of. The recalculations shall be recalculated according to the following formulas:

$$\begin{array}{l}
 \text{Recalculated} \\
 \text{subscription price} \\
 = \\
 \frac{\text{previous subscription price} \\
 \times \\
 \text{the number of shares} \\
 \text{outstanding prior to the bonus issue}}{\text{the number of shares outstanding after the bonus} \\
 \text{issue}} \\
 \\
 \text{Recalculated number} \\
 \text{of shares that each} \\
 \text{Warrant entitles to} \\
 \text{subscription of} \\
 = \\
 \frac{\text{previous number of shares that each Warrant} \\
 \text{entitle to subscription of} \\
 \times \\
 \text{the number of shares} \\
 \text{outstanding} \\
 \text{outstanding after the bonus issue}}{\text{the number of shares outstanding prior to the} \\
 \text{bonus issue}}
 \end{array}$$

The subscription price recalculated as above shall be determined by the Bank as soon as possible following the annual general meeting's resolution to conduct a bonus issue of shares, but shall be applied after the first record day that falls following the issue.

- B. In the event the Company carries out a **reverse share split** or **share split**, then a corresponding recalculation of the subscription price shall be determined according to the same formula as specified in sub-section A above, whereupon the record date shall be the date the reverse share split or the share split is executed on Company request by Euroclear.
- C. In the event the Company carries out a **new share issue** with pre-emptive rights for current shareholders to subscribe for new shares against payment of cash or through settlement of claims, then the following shall apply as regards the right to participate in the new share issue based on subscription for shares in exercise of the rights entitled by a Warrant.
  - 1. Where the Board of Directors resolves to carry out the new share issue contingent on the approval of or pursuant to authorisation of the general meeting, then said resolution shall specify the last date on which subscription of shares issued pursuant to the Warrants shall be recorded in order for said shares to carry the right to participate in any such new share issue.
  - 2. Where the general meeting resolves to carry out the new share issue, when notification of subscription is made at such time that it cannot be effected on or before the fifth Banking Day prior to the general meeting resolving said new share issue, first when the Company has determined a recalculation according to this sub-section C, second last paragraph. Shares that have been issued upon subscription for Warrants shall be registered on an interim basis in the securities account, which means they will not carry the right to participate in said new share issue.

For subscription effected at such a time that the right to participate in the new share issue does not vest the subscription price shall be recalculated. The recalculation shall be made according to the following formula:

$$\begin{array}{l}
 \text{Recalculated} \\
 \text{subscription} \\
 \text{price}
 \end{array}
 =
 \frac{
 \begin{array}{l}
 \text{Previous} \\
 \text{subscription} \\
 \text{price}
 \end{array}
 \times (
 \begin{array}{l}
 (( \text{number of shares prior the new} \\
 \text{share issue) } \times \text{ (previous} \\
 \text{subscription price) ) } + ( \text{number of} \\
 \text{shares in the new share issue) } \times \\
 \text{(subscription price) )}
 \end{array}
 )
 }{
 \begin{array}{l}
 ( \text{number of shares prior to the new} \\
 \text{share issue) } \times \text{ (number of new} \\
 \text{shares in the new share issue) }
 \end{array}
 }
 \end{array}
 ,1)$$

shares in the new share issue) ) x  
(previous subscription price)

- D. Should the Company, in cases other than those referred to in sub-section A - C above, make an offer to the shareholders, with preferential rights in accordance with the principles in Chapter 13. Section 1 of the Swedish Companies Act, acquire securities or rights of any kind or decide to, according to the abovementioned principles, distribute to the shareholders such securities or rights without consideration (the offer) shall, when subscriptions are made at such time, that the share received thereby does not give the right to participate in the offer, a recalculated subscription price is applied as well as a recalculation of the number of shares that each Warrant entitles to subscribe for. The recalculations must be performed according to the following formula:

$$\text{Recalculated subscription price} = \frac{\text{Previous subscription price x the average market price of the share during the subscription period stipulated in the offer (average share price)}}{\text{the average price of the share increased by the value of the right to participate in the offer (value of the participation right)}}$$

The average price of the share shall be considered to correspond to the average of the average of the highest and lowest price paid during each trading day during the subscription period, calculated according to the official price list of the marketplace. In the absence of a listing price payment, the purchase price quoted for such day as the closing price should instead be included in the calculation. Day without listing of either price or purchase price shall not be included in the calculation.

If the shareholders have received participation rights subject to trade the value of such participation right in the offer be deemed to correspond to the value of the participation right. The average price of the participation right shall be deemed to be equivalent to the volume weighted average price for the participation right each trading day during the subscription period of the calculated noted highest and lowest price for the participation right during the day, according to the relevant market place's official price list. In the absence of a settled price for any of the days in question, the quoted bid price for that day shall be included in the calculation. A day with neither a settled price nor a quoted bid price shall be excluded from the calculation.

In the event trading in participation rights, as specified in the preceding paragraph, has otherwise not taken place, a recalculation shall be made to the extent possible upon the application of the principles set forth above in this section D,

whereupon the following shall apply. Where a listing is carried out in respect of the securities or rights which are offered to the shareholders, the value of the right to participate in the offer shall be deemed to be the volume weighted average price for these securities or rights each trading day during a period of 25 trading days from and including the first day for listing calculated average price during that day highest and lowest noted price when trading in described securities or rights at the relevant marketplace and where applicable reduced by any consideration paid for such securities or rights in conjunction with the offer. In the absence of a quotation of the bid price, the closing transaction price quoted shall form the basis of the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation. The period of notification determined in the offer, shall at the recalculation of the subscription price according to this paragraph correspond to 25 trading days as stated above.

In the event that such listing does not take place, the value of the right to participate in the offer shall, to the extent possible, be determined based upon the change in market value regarding the Company's shares which is deemed to have arisen as a consequence of the offer.

Subscription executed until the recalculated subscription price and the recalculated number of shares have been determined, the provisions in section C, last paragraph above, shall apply correspondingly.

- E. In the event the Company conducts an **issue pursuant to chapters 14 or 15 of the Swedish Companies Act**, with preferential rights for shareholders and against cash payment or set-off payment or, as regards Warrants, without payment the Company may resolve to grant all holders the same preferential rights as those assigned to the shareholders pursuant to the resolution. In conjunction therewith, each holder, irrespective of whether subscription for shares has been made, shall be deemed to be the owner of the number of shares which such holder would have received, had subscription on the basis of the Warrant been effected in respect of the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to issue the shares. The fact that the holder could have obtained a cash amount in accordance with section 3 above shall not confer any right in the present case.

If the Company resolves to make an offer to the shareholders as described in subsection D above, what has been stated in the preceding paragraph shall apply *mutatis mutandis*. However, the number of shares of which each holder shall be deemed to be the owner shall, in such circumstances, be determined on the basis of the number of shares which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to make the offer.

If the Company resolves to grant the holders preferential rights in accordance with the provisions as set out in this sub-section E, no recalculation as set out in sub-sections C or D shall be made.

- F. If a **cash dividend** to shareholders is resolved by the Company such that the shareholders receive dividend that, together with other paid cash dividends within the same financial year, exceed ten (10) per cent of the average market share price over a period of 25 trading days immediately preceding the date when the Company's Board of Directors publicly announced their intention to propose the general meeting resolve such dividend, for subscription effected at such time that the share issued does not vest in relation to the right to payment of dividend, then the subscription price shall be recalculated. This recalculation shall be based on the portion of the total amount paid as cash dividend that exceeds ten (10) per cent of the average market share price over a period as defined above (extraordinary dividend). The recalculations shall be made in accordance with the following formula:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{the share's average market price during a period of 25 trading days calculated from the date on which the share is listed without the right to extraordinary dividend (the average price of the share)}}{\text{the average market share price increased by the extraordinary dividend paid per share}}$$

The average market share price shall be deemed to correspond to the average of the mean price (daily highest and lowest recorded official exchange transaction price) for the said 25 trading day period. In the event there is no recorded exchange transaction price for any such day, then the closing bid price shall be used in this calculation. Days for which no bid price or sell price is noted shall not be included in this calculation. Recalculation of the subscription price, as above, shall be determined by the Bank two Banking Days after the end of the period of 25 trading days from the day the shares is quoted without the right the extraordinary dividend and shall apply to any subscription effected after that time.

- G. In the event the Company's share capital **is reduced through a distribution to the shareholders**, and the reduction is compulsory, then the subscription price and the number of shares that each Warrant entitles to, shall be recalculated. The recalculation shall be made according to the following formulas:

PLEASE NOTE THAT THIS IS AN OFFICE TRANSLATION OF THE SWEDISH VERSION. IN CASE OF ANY DISCREPANCIES BETWEEN THIS TRANSLATION AND THE SWEDISH ORIGINAL THE LATTER SHALL PREVAIL.

$$\begin{aligned} \text{recalculated} & & & & \text{previous subscription price x the average} \\ \text{subscription price} & = & & & \text{market price of the share during a period of 25} \\ & & & & \text{trading days calculated from the day on which} \\ & & & & \text{the share is listed without any right to} \\ & & & & \text{participate in the distribution (average share} \\ & & & & \text{price)} \\ & & & & \\ & & & & \text{average share price increased by the amount} \\ & & & & \text{distributed for each share} \\ \\ \text{recalculated number} & & & & \text{previous number of shares that each Warrant} \\ \text{of shares that each} & = & & & \text{entitles to x (average share price increased by} \\ \text{Warrant entitles to} & & & & \text{the amount distributed for each share)} \\ & & & & \text{-----} \\ & & & & \text{average share price} \end{aligned}$$

The average market share price is calculated as stated in sub-section D above. On recalculation according to the above and where the reduction is made by redemption of shares, instead of the actual amount distributed per share, an estimated repayment amount shall be used as follows:

$$\begin{aligned} \text{Estimated} & & & & \text{The actual amount repaid per redeemed share} \\ \text{repayment amount} & = & & & \text{reduced by the average market share over a} \\ \text{per share} & & & & \text{period of 25 trading days preceding the date} \\ & & & & \text{when the share is quoted without the right to} \\ & & & & \text{participate in the redemption (average market} \\ & & & & \text{share price)} \\ & & & & \text{-----} \\ & & & & \text{the number of shares in the Company that forms} \\ & & & & \text{the basis for redemption of one share, reduced} \\ & & & & \text{by the number 1} \end{aligned}$$

The average market share price is calculated as stated in sub-section D above.

Recalculation of the subscription price as above shall be determined by the Bank two Banking Days after the end of the period of 25 trading days and shall apply on subscriptions made thereafter.

No subscriptions will be executed during the period from the date of the resolution for share reduction up to and including the date the recalculation of the subscription price and the number of shares is determined as stated above.

In the event that the Company's share capital is reduced by redemption of shares with repayment to the shareholder, which reduction is not mandatory, or that the Company should repurchase outstanding shares – though this does not specifically involve an issue of reducing Company share capital – where such action, in the assessment of the Company considering the technical framing and economic effects, shall be equated with a mandatory reduction, then recalculation of the subscription price and the number of shares that each Warrant entitles to shall be executed by the Bank, to the extent possible, according to the principles specified above in this sub-section G.

- H. In the event the Company takes actions referred to in this section 7, or other similar actions and if, in the Company's opinion, application of the recalculation formula established for such action, taking into account the technical framework of such action or for other reasons, could not be made or would result in the Holders receive, in relation to the shareholders, economic compensation that is not reasonable, the Bank shall make the recalculations of the subscription price and the number of shares that each Warrant entitles to in such manner to ensure that the recalculation gives a reasonable result.
- I. On recalculation of the subscription price in accordance with the above, the subscription price shall be rounded off to the nearest SEK 0.10, for which purposes SEK 0.05 shall be rounded upwards.
- J. In the event that the Company enters into **liquidation** pursuant to Chapter 25 of the Swedish Companies Act, then notification of subscription may not take place. The right to notify for subscription shall terminate by force of the liquidation resolution, regardless whether such resolution has become effective.

No later than two months prior to determination in the general meeting regarding the Company entering into liquidation pursuant to Chapter 25 Section 1 of the Swedish Companies Act, Holders shall receive notice according to section **Error! Reference source not found.** below of the intended liquidation. Said notice shall include information that such notification of subscription may not be executed after the general meeting adopts a resolution to enter into liquidation.

In the event that the Company provides such notice of intended liquidation (as above), then the Holder, regardless of the terms specified in section 4 above – regarding the earliest allowable date for notification of subscription – shall be entitled to submit notification of subscription as of the date the said notice of liquidation is sent, provided that said subscription can be effected no later than the time when shares issued due to exercise of Warrants may be represented at the general meeting at which the matter of Company liquidation shall be considered.

- K. In the event the Company approves a **plan for merger** pursuant to Chapter 23 Section 15 of the Swedish Companies Act, or any other national equivalent

corporation legislation, whereby the Company shall be incorporated into another company, notification of subscription may not be executed thereafter. No later than two months prior to determination in the general meeting regarding a Company merger, as above, Holders shall receive notice according to section **Error! Reference source not found.** below of the intended merger. Said notice to the Holder shall include information regarding the general content of the intended merger plan, and that notification of subscription may not be executed after the general meeting adopts a final resolution to implement the merger as specified above. In the event the Company provides such notice of intended merger (as above), then the Holder shall, regardless of the terms specified in section 4 above – regarding the earliest allowable date for notification of subscription – be entitled to submit notification of subscription as of the date the said notice of the merger plan is sent, provided that said subscription can be effected no later than the fifth day prior to the general meeting at which the matter of the Company merger shall be approved.

- L. In the event the Company's Board of Directors prepares a **merger plan** pursuant to Chapter 23 Section 28 of the Swedish Companies Act or that Company shares become object of **compulsory acquisition procedures** pursuant to Chapter 22 of the same Act, then the following shall apply.

Where a Swedish parent company owns all shares in the Company, and the Company's Board of Directors announces its intention to prepare a merger plan pursuant to the same section of law as the previous paragraph, then the Company shall, in cases where the last date for notification of subscription (specified in section 4 above) is after said public announcement, set a new final date for notification of subscription. The final date shall be no later than 60 days from the date of said public announcement.

Where a shareholder (majority owner), alone or together with subsidiaries, owns such a percentage of all shares in the Company as is required to permit the majority owner to initiate compulsory acquisition procedures under applicable laws, and that majority owner announces their intention to initiate compulsory acquisition procedures of the Warrants, then the stipulations in the previous paragraph in regard to final date for notification of subscription shall also apply correspondingly.

In the event the Company provides such notice of intended merger (as above), then the Holder shall, regardless of the terms specified in section 4 above – regarding the earliest allowable date for notification of subscription – be entitled to submit notification of subscription as of the final date. The Company shall, no later than four weeks prior to the final date, and by way of a notice as set out in section **Error! Reference source not found.** below, remind the Holders of this right and that notice of subscription may not be called for following the final date.

- M. Notwithstanding the provisions specified in sections J, K and L above that notification of subscription cannot be executed following a resolution regarding liquidation, approval of a merger plan, or the passage of a new final date for merger, the right to submit notification of subscription as specified herein shall return in force in the event that the merger, or liquidation is revoked.
- N. In the event that the Company is forced into **insolvency**, then notification of subscription cannot be executed thereafter. If, however, the formal bankruptcy determination is reversed in court, then notification of subscription shall again be available.
- O. In the event the general meeting approves a **company division plan** pursuant to Chapter 24 Section 17 of the Swedish Companies Act whereby the Company shall be divided so that all Company assets and liabilities are taken over by two or more other companies against compensation to the shareholders in the Company, shall, provided that the division is registered with the Swedish Companies Registration Office, in case of notifications of subscription that are made during such time, that shares allotted thereby will not carry any right to receive division compensation by the Bank, a recalculated subscription price and number of Shares that each Warrant entitles to shall be applied, to the greatest extent possible, in accordance with the principles as set out in sub-section F above.

In the event that all assets and liabilities are taken over by two or more other companies against compensation to the shareholders in the Company, shall, to the greatest extent possible, the provisions in sub-section J above shall apply *mutatis mutandis*, meaning, *inter alia*, that the right to apply for subscription ceases concurrently with registration pursuant to Chapter 24 Section 27 of the Swedish Companies Act and that notifications to Holders shall be made no later than one month before the general meeting that shall resolve on the division plan.

- P. If the Company carry out a change of **accounting currency**, which means that the Company's share capital shall be determined in a currency other than Swedish kronor, the subscription price shall be converted to the same currency as the share capital is determined in. Such currency exchange shall be made with the application of the exchange rate used for the recalculation of the share capital at the currency exchange. The above recalculated subscription price is determined by the Company and shall be applied to subscriptions that are executed from the date on which the change of accounting currency takes effect.

## 8 Specific undertaking by the Company

The Company undertakes not to take any of the actions as set out in section 7 above that would result in a recalculation of the subscription price to an amount less than the share's quotient value, from time to time.

## **9 Nominees**

Persons who have obtained permission pursuant to Chapter 5 Section 14 second paragraph of the Swedish Companies Act, shall have the right to be registered in an account as Holder. Such nominee shall be regarded as Holder when applying these terms and conditions.

## **10 Notices**

Notices relating to the Warrants shall be provided to each registered Holder and other holder of rights that are registered in the Company's depository register.

## **11 Amendments to the terms and conditions**

11.1 The Bank has the right, on behalf of the Holders, to enter into an agreement with the Company to amend these terms and conditions to the extent required by legislation, decisions of courts of law or decisions of governmental authorities or where otherwise, in the Company's opinion, such in necessary or expedient for practical reasons or provided that the rights of the Holders are in no way prejudiced.

11.2 In the event of amendments to the legislation referred to in these terms and conditions, the terms and conditions shall, as far as possible, be interpreted, without requiring the Bank and the Company having to conclude an agreement on it, that the references refer to the amended sections of law that are replace those sections of law to which reference is made in these terms and conditions, provided that the Holders are prejudiced in any substantial way. In the event of terminological amendments to the legislation regarding terms used in these terms and conditions, the terms used in these terms and conditions shall, as far as possible, be interpreted as if the terms in the amended legislation are used in these terms and conditions as well, without requiring the Bank and the Company having to conclude an agreement on it, provided that the Holders are prejudiced in any substantial way.

## **12 Confidentiality**

Neither the Bank nor Euroclear may disclose information about the Holders to any third parties, without being authorized. The Company may receive the following information from Euroclear regarding Holders' account in the Company's depository register; (i) the name, personal identification number or other identification number and postal address of the Holder; and (ii) the number of Warrants held by the Holder.

## **13 Limitation of liability**

13.1 In respect to actions incumbent upon the Bank and Euroclear, liability cannot be imposed for loss due to Swedish or other laws, actions of Swedish or other governmental

authorities, acts of war, strike, blockade, boycott, lockout, or other similar circumstances. These reservations regarding strike, blockade, boycott, and lockout shall also apply even if the Bank and Euroclear takes direct action or is the subject of such action.

13.2 What is set out above shall apply to the extent not otherwise stated in the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

13.3 Nor shall the Bank and Euroclear be liable for loss which arises under other circumstances provided that the Bank and Euroclear have duly exercised normal caution. The Bank and Euroclear are, under no circumstances, liable for indirect loss.

13.4 If the Bank or Euroclear are unable to make payments or to take other actions as a consequence of circumstances as set out in the first paragraph, such payment or actions may be postponed until such time as the cause of the impediment has terminated.

#### **14 Applicable law and forum**

These terms and conditions, and all legal issues related thereto, are governed by Swedish law. Legal proceedings relating to the terms and conditions shall be brought before Stockholm District Court or such other forum as is accepted in writing by the Company.

---