

The board of directors' proposal for resolution to implement a warrant-based incentive program for all employees

The board of directors of Nanexa AB (publ), reg. no. 556833-0285, (the "Company"), proposes that the annual general meeting on 9 June 2023 resolves to implement a warrant-based incentive program for all employees in the Company ("Warrant Program 2023/2026") through an issue of a maximum 1,345,000 warrants of series 2023/2026 on the following terms and conditions:

1. With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by the employees in the Company as set out below:

- (a) the CEO (1 person) ("Category 1"): a maximum 165,000 warrants;

- (b) other employees who are part of the management team (5 persons) ("Category 2"): a maximum 110,000 warrants each;

- (c) other employees (15 persons) ("Category 3"): a maximum 42,000 warrants each.

A person who has entered into an employment agreement with the Company but has not yet taken up his/her employment shall be regarded as employee.

An employee who subscribes for warrants within the limits stated above and meets the prerequisites for allotment stated under 11 below, is guaranteed allotment of the number of warrants which he/she subscribes for ("guaranteed allotment").

An employee included in Category 2 (but no one else) may subscribe for additional warrants than those which he/she is guaranteed allotment of, however not more than additional 27,500 warrants. If the total number of warrants that such subscriptions comprise exceeds the number of warrants that remain after guaranteed allotment as above, the remaining warrants shall be distributed amongst the employees within Category 2 who have subscribed for additional warrants. The warrants shall be distributed amongst them in relation to the number of additional warrants that each of them has subscribed for within the specified limit.

2. The motive for the proposal and the reasons for the deviation from the shareholders' preferential rights, is to create a warrant-based incentive program for the employees in the Company. Through such a program, the employees are offered an opportunity to take part of a value growth in the Company's share, which is expected to increase the commitment to the Company's operations and earnings development and to increase the motivation and sense of belonging with the Company. The board of directors considers that the program will have a positive impact on the Company's continued development, to the benefit of the Company and its shareholders.
3. The warrants shall be issued at a price equal to the warrant's market value at the beginning of the subscription period. The calculation of the warrant's market value shall be performed by Öhrlings PricewaterhouseCoopers AB, as an independent valuation institute, applying the Black & Scholes valuation model.
4. Subscription of warrants shall be made on a separate subscription list during the period from 27 June 2023 up to and including 29 June 2023. The board of directors shall be entitled to prolong the subscription period.

5. Payment for warrants subscribed for and allotted shall be made on 7 July 2023. The payment shall be made in cash to the bank account designated by the Company. The board of directors shall be entitled to prolong the term of payment.
 6. Each warrant entitles the holder to subscribe for one new share in the Company against cash payment at a subscription price corresponding to 150 percent of the volume weighted average price for the Company's share on Nasdaq Firth North Growth Market during the period from 12 June 2023 up to and including 26 June 2023, however never less than the quotient value of the share. The subscription price shall be rounded off to the nearest even hundredth of a SEK, whereupon SEK 0.005 shall be rounded upwards. Upon subscription of shares, the part of the subscription price that exceeds the quotient value of the shares shall be allocated to the non-restricted share premium fund.
 7. The warrants may be exercised for subscription of shares during the period from 1 July 2026 up to and including 31 August 2026, taking insider laws and regulations applicable at the time into account.
 8. Shares issued upon exercise of warrants confer right to dividends for the first time on the next record date for dividends which occurs after the subscription is effected.
 9. The full terms and conditions for the warrants of series 2023/2026 are set forth in Appendix A (the "Terms"). According to the Terms the subscription price and the number of shares which each warrant confers right to subscribe for may be recalculated in the event of a bonus issue, reverse share split or share split, new issue, issue of warrants or convertibles and under some other circumstances. Further, the period for exercising the warrants may be brought forward or be postponed in some cases.
 10. If all warrants are subscribed for and all warrants are exercised for subscription of shares, the Company's share capital will increase by SEK 174,071.73 (with reservation for eventual recalculation according to the Terms).
 11. A prerequisite for being allotted warrants is that the subscriber is employed by the Company at the time of allotment and that he/she at that time has neither given nor received any notice of termination of his/her employment. A person who has entered into an employment agreement with the Company but has not yet taken up his/her employment shall be regarded as employee. Additional prerequisites are that subscription of warrants can take place in accordance with applicable laws and that the employee, at the time of subscribing for the warrants at the latest, has entered into a so called pre-emption agreement with the Company, according to which the employee is obliged to offer the Company, or the person designated by the Company, to acquire the warrants if the employee intends to transfer the warrants before they can be exercised, if the employee's employment ceases within a certain time and in some other cases, at market value.
 12. The board of directors, or anyone appointed by the board of directors, shall be authorized to make such minor formal adjustments in the issue resolution that may be required in connection with registration of the issue resolution at the Swedish Companies Registration Office or, if applicable, Euroclear Sweden AB.
-

Additional information

Dilution and information on outstanding share-related incentive programs

Per the day of this proposal, there are 60,695,626 shares in the Company.

If the general meeting resolves on an issue in accordance with this proposal, the issue is fully subscribed and all warrants are exercised for subscription of shares, the number of shares and votes in the Company will increase by 1,345,000 (with reservation for eventual recalculation according to the Terms), which corresponds to a dilution of approximately 2.17 percent of the number of shares and votes in the Company.

There are four outstanding share-related incentive programs in the Company since before – warrant program 2020/2023:1, warrant program 2020/2023:2, warrant program 2021/2024:1 and warrant program 2022/2025. Per the day of this proposal there are 392,000 outstanding warrants in warrant program 2020/2023:1 (warrants of series 2020/2023:1 (TO 3)), which are held by employees, 724,000 outstanding warrants in warrant program 2020/2023:2 (warrants of series 2020/2023:2) (TO 4)), which are held by board members, 380,000 outstanding warrants in warrant program 2021/2024:1 (warrants of series 2021/2024:1 (TO 5)), which are held by employees, and 983,000 outstanding warrants in warrant program 2022/2025 (warrants of series 2022/2025 (TO 6)), which are held by employees. Each warrant of series 2020/2023:1 (TO 3) and series 2020/2023:2 (TO 4) entitles (after recalculation according to the terms and conditions for the programs) to subscription of 1.02 new shares in the Company at a subscription price of SEK 15.79 during the period from 1 June 2023 up to and including 31 July 2023. Each warrant of series 2021/2024:1 (TO 5) entitles (after recalculation according to the terms and conditions for the program) to subscription of 1.02 new shares in the Company at a subscription price of SEK 12.67 during the period from 15 June 2024 up to and including 31 July 2024. Each warrant of series 2022/2025 (TO 6) entitles to subscription of one new share in the Company at a subscription price of SEK 4.95 during the period from 15 June 2025 up to and including 31 July 2025.

If (i) all warrants that are outstanding in warrant programs 2020/2023:1, 2020/2023:2, 2021/2024:1 and 2022/2025 are exercised for subscription of shares, (ii) the general meeting resolves to implement Warrant Program 2023/2026 in accordance with the board of directors' proposal, (iii) the issue is fully subscribed and all warrants in Warrant Program 2023/2026 are exercised for subscription of shares, the number of shares and votes in the Company will increase by 3,853,920 (with reservation for eventual recalculation according to the terms and conditions of the respective program), which corresponds to a total dilution of approximately 5.97 percent of the number of shares and votes in the Company.

The dilution effects have been calculated as the number of additional shares and votes in relation to the number of existing shares and votes plus the number of additional shares and votes.

Preliminary valuation, costs and effects on key figures

The market value of a warrant of series 2023/2026 has, according to a preliminary valuation performed by Öhrlings PricewaterhouseCoopers AB applying the Black & Scholes valuation model, been calculated to SEK 0.85. The calculations have been based on an assumed share price of SEK 3.70 at the time when subscribing for the warrants, a subscription price of SEK 5.55 upon exercise of the warrants, a term of 3.18 years, a volatility of 48 percent, a risk-free interest rate of 2.75 percent and an assumed dividend of SEK zero during the term. The preliminary valuation is based on assumptions. When the employees subscribe for warrants, the market value will be determined based on updated assumptions and then known parameters.

Since the warrants shall be issued to the employees at market value, Warrant Program 2023/2026 is not expected to incur any accounting costs for the Company, nor any costs in the form of social security contributions or the like.

The Company will subsidize the amount that the participants in Warrant Program 2023/2026 shall pay for the warrants through extra gross salary allowances corresponding to 100 percent of the warrant premiums. 50 percent of the subsidy shall be paid in connection with the allotment of the warrants. The remaining 50 percent of the subsidy shall be paid one year after the allotment of the warrants. A participant's right to receive the second half of the subsidy is conditional on that the participant has neither given nor received any notice of termination of his/her employment, nor has transferred his/her warrants, at the time when the subsidy is paid. The total cost of the subsidy, based on the preliminary option value mentioned above, is estimated to amount to approximately SEK 1,098,000, including costs for social security contributions.

The warrants are expected to have a marginal effect on the Company's key figures.

Preparation of the proposal

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

Majority requirements

For a valid resolution in accordance with this proposal, the proposal must be supported by shareholders with at least nine-tenth of both the votes cast and the shares represented at the meeting.

Uppsala in May 2023

The board of directors of Nanexa AB (publ)