

**The board of directors' of Surgical Science Sweden AB (publ) proposal for a) adoption of a long-term incentive program for employees within the group and executive management in Israel and b) resolution on a directed issue of warrants to wholly owned subsidiary and approval of transfer of warrants to employees within the group and executive management in Israel (item 14 A–B)**

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*The board of directors of Surgical Science Sweden AB (publ) proposes that the annual general meeting resolves to adopt a long-term incentive program directed to employees within the group and executive management in Israel ("**LTIP 2024:1**") in accordance with items A–B below.*

**A. Introduction of LTIP 2024:1**

The board of directors proposes that the annual general meeting resolves to adopt a long-term incentive program ("**LTIP 2024:1**") directed to employees within the group and executive management in Israel in accordance with the main terms and conditions set out below.

*Background and rationale*

The company's board of directors is of the opinion that incentive programs contribute to higher motivation and commitment among the employees and strengthen the bonds between the employees and the company. Furthermore, the board of directors' assessment is that LTIP 2024:1 will contribute to the opportunities to retain knowledgeable and experienced employees and is expected to increase the employees' interest in the company's operations and development of earnings. In view of these considerations, it is the board of directors' opinion that LTIP 2024:1 will benefit both the employees and the company's shareholders through increased share value.

*LTIP 2024:1*

The board of directors proposes that the annual general meeting resolves on a directed new issue of no more than 300,000 warrants ("**Warrants**") to the wholly owned subsidiary Surgical Science Sweden Incentive AB (the "**Subsidiary**") and approves of subsequent transfer of no more than 300,000 Warrants to employees within the group and executive management in Israel.

Each Warrant entitles the holder to subscribe for one new share in Surgical Science Sweden AB (publ) during the period from and including June 14, 2027, to and including July 14, 2027, at a subscription price of 120 percent of the share's average volume-weighted closing price during the period from and including May 16, 2024, to and including May 29, 2024. The subscription price shall be paid in cash or by set-off.

The exercise price, as set out above, shall be rounded to the nearest SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The exercise price and the number of shares that each Warrant entitles to subscription of shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with market practice.

Participants in LTIP 2024:1 shall no later than June 14, 2024, notify the company of the number of Warrants that the participant wishes to acquire. The Warrants shall be transferred to the participants at the market value of the Warrants calculated by an independent party in accordance with the Black & Scholes valuation model. However, the company will subsidise the LTIP 2024:1 whereby the participants will receive the Warrants as a fringe benefit. The taxation of the fringe benefit shall be paid by the participant.

In connection with the allotment of the Warrants, the board of directors shall have the right to make adjustments to comply with organisational changes and special rules or market conditions abroad and reserve the right to repurchase the Warrants if the participant in turn wishes to transfer the Warrants.

At the request of participants, the company shall have the right, but no obligation, to acquire at market value such number of Warrants that enables the participant to exercise the remaining Warrants to subscribe for shares, whereby the subscription proceeds are paid by way of set-off against the claim on sold Warrants.

Holders of Warrants whose employment is terminated or who wish to sell their Warrants shall offer the company to acquire the Warrants to the lowest of 50 percent of the benefit value that arose at the time of the acquisition of the Warrant and the market value.

*Allocation of Warrants*

LTIP 2024:1 shall comprise of employees within the group and executive management in Israel. The maximum number of Warrants per participant in the LTIP 2024:1 follows from the table below.

<i>Category</i>	<i>Maximum number of Warrants per person</i>	<i>Maximum number of Warrants per category</i>
Executive management (Israel)	6,000	24,000
Employees – category 1	2,000	125,000
Employees – category 2	1,000	90,000
Employees – category 3	500	61,000

Oversubscription cannot take place; however, it is permitted to acquire a lower number of Warrants. In the event of changes in positions and staff, the remaining Warrants in one category can be used in another category.

The right to acquire Warrants from the Subsidiary shall only accrue to persons whom at the end of the application period have not resigned or whose employment has not been terminated.

*Deviations for foreign participants*

A majority of the participants are employed abroad in the United States and Israel. For tax reasons, they will receive a contractual right to subscribe for shares (so-called Non-Qualified Stock Options) instead of Warrants. The Subsidiary will therefore retain Warrants that accrue to these participants to ensure delivery of shares upon exercise of the Non-Qualified Stock Options. In accordance with market practice in these markets, the participants will receive the Non-Qualified Stock Options free of charge. Some deviations will be made due to foreign legislation, but the terms of the Non-Qualified Stock Options are intended to correspond with the terms of the Warrants. For example, Non-Qualified Stock Options shall not give entitlement to subscription of shares if the employees employment is terminated before June 14, 2027, unless the board of directors, on a case-by-case basis, should decide otherwise.

*Market value*

The Warrants are preliminarily calculated to have a market value of SEK 32.93 per Warrant according to Black & Scholes formula based on an assumed share price of SEK

141.99, an assumed subscription price of SEK 170.39 per share, a term of 3.1 years, a risk-free interest of 2.606 per cent, an assumed volatility of 45.3 per cent and an assumed dividend of 0 SEK. The preliminary and independent valuation has been performed by Optionspartner AB.

#### *Costs for the incentive program*

The incentive program is estimated to preliminary result in costs of social security contributions of SEK 1,000,000 and expenses in accordance with the accounting principles set out in IFRS2 of in total SEK 9,500,000.

Costs for financial and legal advice in connection with the LTIP 2024:1 will amount to no more than approximately SEK 100,000.

The board of directors will not submit any proposal of measures to cover the costs of the LTIP 2024:1.

#### *Dilution*

Based on the outstanding number of shares in the company, LTIP 2024:1 will upon exercise of all 300,000 Warrants increase the share capital by a maximum of SEK 15,000 and, at the time of the notice, entail a maximum dilution corresponding to approximately 0.58 per cent of the total outstanding capital and number of votes in the company.

#### *Preparation of the proposal*

LTIP 2024:1 has been prepared by the board of directors in consultation with external advisers. The board of directors, or a special committee set up by the board of directors, shall be responsible for preparing the detailed design and administration of the terms and conditions of LTIP 2024:1, in accordance with the presented terms and guidelines including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue and/or similar measures. The board of directors shall also be entitled to make adjustments to meet specific foreign regulations or market conditions. The board of directors shall also be entitled to make other adjustments if significant changes occur in the group or in its environment that would result in that the adopted terms for the LTIP 2024:1 no longer fulfils their objectives.

#### *Other incentive programs*

Information regarding the company's current incentive programs is available on the company's website, [www.surgicalscience.com](http://www.surgicalscience.com).

### **B. Directed issue of Warrants, Series 2024/2027:1, to wholly owned subsidiary and approval of transfer of warrants to employees within the group and executive management in Israel in accordance with LTIP 2024:1**

The board of directors proposes that the annual general meeting resolves to issue no more than 300,000 Warrants, as a result of which the company's share capital may increase by a maximum of SEK 15,000 (provided the current quota value). The following conditions shall apply.

1. The right to subscribe for Warrants shall, with deviation from the shareholders' pre-emption rights, vest with the subsidiary Surgical Science Sweden Incentive AB, with a right and obligation for the Subsidiary to dispose of the Warrants in accordance with the terms and conditions of LTIP 2024:1. The Subsidiary shall in accordance with instructions from the company's board of directors be allowed to transfer the Warrants to the due participant in the LTIP 2024:1.
2. Each Warrant entitles the holder to subscribe for one new share in Surgical Science Sweden AB (publ) during the period from and including June 14, 2027,

to and including July 14, 2027, at a subscription price of 120 percent of the share's average volume-weighted closing price during the period from and including May 16, 2024, to and including May 29, 2024. The subscription price may never be less than the quota value of the share. If the subscription price exceeds the quota value of the shares, the excess amount (premium) shall be included in the non-restricted share premium fund in the balance sheet of the company. The subscription price shall be paid in cash or by set-off. The board of directors shall have the right to extend the period for subscription and payment.

3. The new shares will confer entitlement to dividends on the first time on the record day for dividends occurring closest after the new shares are registered with the Swedish Companies Registration Office and the shares have been registered in the share register with Euroclear Sweden AB.
4. The Warrants shall be issued at subscription price corresponding to the market value of the Warrants calculated by an independent party in accordance with the Black & Scholes valuation model. Subscription of Warrants shall be made on a subscription list no later than May 31, 2024. However, the board of directors shall have the right to extend the subscription period.

The Warrants shall in all other respects be governed by the terms and conditions set forth in Appendix 1A. The exercise price for subscription of one new share with Warrants and the number of shares to which each Warrant provides entitlement to subscribe may be adjusted in accordance with the terms and conditions of the Warrants, see Appendix 1A.

Warrants held by the Subsidiary, which have not been transferred in accordance with the above or which have been repurchased from participants, may be cancelled by the company following a resolution by the board of directors of the company with the consent of the board of directors of the Subsidiary. Cancellation must be reported to the Swedish Companies Registration Office for registration.

Oversubscription cannot take place.

The rationale for the deviation from the shareholders' pre-emption rights is to implement the incentive program for the employees within the group and executive management in Israel.

The board of directors also proposes the annual general meeting resolve to approve that the Subsidiary, in accordance with the terms and conditions of LTIP 2024:1, in accordance with instruction from the board of directors of the company, may transfer Warrants to participants in LTIP 2024:1 and administer the Warrants in accordance with LTIP 2024:1. Transfer of Warrants shall be made in accordance with above conditions.

### **Certain provisions and authorisations**

The board of directors' proposal for resolutions in accordance with A–B are dependent on each other and hence, adopted simultaneously.

The board of directors proposes that the annual general meeting instruct the board of directors to implement the resolution above and to ensure that the Warrants are transferred in accordance with what is stated above.

The board of directors further proposes that the annual general meeting instruct the board of directors, or whomever the board of directors appoints, to make such minor

adjustments in the abovementioned proposed resolutions that may prove necessary in connection with registration with the Swedish Companies Registration Office.

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Gothenburg in April 2024  
**Surgical Science Sweden AB (publ)**  
*The board of directors*