

The board of directors' proposal on incentive program through qualified employee stock options (KPO)

(A) Resolution on the implementation of an incentive programs

The board of directors proposes that the annual general meeting resolves on the implementation of an incentive programs as set out below.

As before, we will continue with incentive programs with the goal of securing Modvion's development by retaining key employees through the important development in the coming years and ensuring that we can recruit the competence we need for this.

The qualified employee stock options will be issued to employees of Modvion with a subscription price of SEK 0.12 per share, corresponding to the quota value of the shares.

Each qualified employee stock option has a maturity of three years, and new series may be issued as long as the company meet the requirements for issuing qualified employee stock options.

Qualified employee stock options (new since 1 January 2018) have been selected for the incentive program.

The difference between an ordinary employee stock option and a qualified employee stock option is, for example, that the intention is that taxation should be made as income from capital and not as income from employment. The program is thus intended to provide good incentives for the participants to continue contributing to Modvion for at least the next three years, until the end of the incentive program.

Qualified employee stock options do not constitute a security. To assure the participants that shares will be delivered when they convert their KPOs at the end of the program, warrants (which constitute securities) are issued. The company has therefore previously issued warrants that are held by the company to be converted into shares to the holders at the end of the program (via proxy). This provides security for the participants as the warrants have already been issued, and means that the set up with qualified employee stock options is not solely dependent on an agreement where shares are issued at a general meeting at a later date.

Each option shall entitle the holder to one Class B share. The company may issue a maximum of 235,000 qualified employee stock options with a subscription price of SEK 0.12 per share.

The board of directors proposes that the annual general meeting resolves, with deviation from the shareholders' preferential rights, to issue a total of not more than 235,000 warrants, as a result of which the Company's share capital may increase by a maximum of SEK 28,200.

The issue of warrants shall be subject to the following conditions:

1. The right to subscribe for the 235,000 warrants shall, with deviation from the shareholders' preferential rights, only vest with Modvion.
2. The warrants shall be issued free of charge and shall be subscribed for on a subscription list no later than 30 June 2026. The board of directors shall have the right to extend the subscription period. Oversubscription cannot take place.
3. Each warrant shall entitle the holder to subscribe for one class B share in the Company.
4. The subscription price for shares subscribed for based on the warrants shall correspond to the quota value of the shares. The subscription price shall be paid in cash.
5. Subscription of shares pursuant to the warrants shall take place during the period from 1 June 2026 up to and including 1 January 2033. The board of directors has the right to extend the subscription period, however, by a maximum of six months.
6. Shares which are issued following subscription shall entitle to dividend on the record date for dividends that falls immediately after the new shares have been entered in the Company's share register with Euroclear Sweden AB.

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

It is further proposed that the board of directors, or whomever they appoint, should be authorized to undertake such minor adjustments in the resolution that may be required for the registration with the Swedish Companies Registration Office.

The reason for the deviation from the shareholders' preferential rights is to implement the incentive program for employees of Modvion

The intention to introduce an incentive program has already been communicated and Modvion's shareholders have agreed on the following in the shareholders' agreement's "second addendum":

"2.4 The Parties agree and acknowledge that the Company shall create an incentive program which will include warrants to current and future key employees, corresponding to up to 10%

of the shares in the Company after the current issue of shares in accordance with Section 1.3 above, and the Parties thus agree to such a directed issue of shares.”

(B) Resolution on approval of transfer of warrants

In order to enable the company's delivery of shares under the incentive program, the board of directors proposes that the annual general meeting resolves to approve that the company may transfer a maximum of 235,000 warrants entitling to subscription of one (1) share at a subscription price of SEK 0.12 per share to participants in the incentive program in connection with the qualified employee stock options being exercised in accordance with the terms and conditions for the qualified employee stock options in item A above, or otherwise dispose of the warrants to secure the company's obligations in relation to the incentive program.

The board of directors shall not be entitled to dispose of the warrants for any other purpose than as stated above.

Warrants that are not needed to enable delivery of shares under the incentive program may be cancelled.

Majority requirements

The proposals for resolutions under items A-B above, constitute a combined proposal. A valid resolution in accordance with the proposal requires that the resolution is supported by shareholders holding at least nine-tenths (9/10) of both the votes cast and the shares represented at the general meeting.