

*NOTE: This is an unofficial translation. In case of discrepancies, the Swedish version shall prevail.*

***The Board of Directors' proposal to adopt a long-term incentive program for employees and consultants in the Company (item 16)***

The Board of Directors proposes that the AGM resolves to issue not more than 2,000,000 warrants within the scope of a long-term incentive program for employees and consultants within Veg of Lund as follows.

In total, the incentive program will comprise not more than 10 individuals. The incentive program entails that employees and consultants within Veg of Lund are offered to acquire warrants at market value calculated according to the Black-Scholes valuation formula. Furthermore, future employees and consultants can be invited to acquire warrants at market value.

Each warrant shall entitle the holder to subscribe for one new share in Veg of Lund, during the period from and including 1 May 2026 to and including 31 May 2026, at an exercise price corresponding to 150 percent of the volume weighted average price of the Company's share during the period of ten trading days immediately preceding the offer to acquire warrants, however, not less than the quota value of the Company's share.

The price per warrant upon transfer to the participants shall be determined by an independent valuation institute as appointed by the Company and correspond to the market value of the warrant at the time of the acquisition, calculated in accordance with the Black-Scholes valuation model. Based on a share price of SEK 0.94, the market value of the warrants has been preliminarily calculated at SEK 0.21 per warrant.

The number of shares that each warrant entitles to, as well as the exercise price, will be recalculated should the Company resolve on a share split, consolidation of shares, issue, etc. in accordance with customary recalculation conditions. The full terms and conditions for the warrants shall apply in all other aspects as set out in [Appendix A](#).

The last day for acquisition of warrants shall be the day prior to the AGM 2024.

To be entitled to participate in the incentive program, the participant must have entered into an advance purchase agreement with Veg of Lund, whereby Veg of Lund, with certain exceptions, reserves the right to repurchase warrants if the participant's employment or assignment in Veg of Lund ends or if the participant in turn wishes to transfer the warrants before the warrants can be exercised.

*Allocation of warrants*

The right to acquire warrants shall accrue to a maximum of 10 employees and consultants, including the CEO, within Veg of Lund, provided that they have entered into an advance purchase agreement with the Company.

The Company's Board members shall not be included in the program.

*Costs and dilution*

The warrants will be transferred at market value, which means that no social security contributions are to be paid by Veg of Lund due to the acquisition of the warrants.

The incentive program is only expected to have a marginal effect on the Company's key ratios.

Based on the number of shares in Veg of Lund per day of the notice to the AGM, the maximum dilution effect of the warrant program will be approximately 7.51 percent. Taking into account also shares that can be issued in accordance with previously implemented incentive programs in the Company, as well as the proposed incentive program for Board members in the Company, the maximum dilution amounts to approximately 11.14 percent.

For a description of the Company's other long-term incentive programs, please visit Veg of Lund's website, [ir.dugdrinks.com](http://ir.dugdrinks.com).

*The rationale for the incentive program*

The Board of Directors considers that a share-related incentive program is an important part of a competitive remuneration package to attract and motivate key people, as well as maximize value for all shareholders. The Board of Directors further considers that the warrant program will increase the participants' involvement in the Company's operations, strengthen the loyalty to the Company and be in favor of both the Company and its shareholders.

*Preparation of the proposal*

The incentive program has been prepared by the Board of Directors in consultation with external advisers. The proposal has been reviewed at meetings of the Board of Directors during the spring of 2023.

**Majority requirements**

Resolution in accordance with above require approval of at least nine tenths (9/10) of the shares represented and votes cast at the AGM.

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Malmö, April 2023  
**Veg of Lund AB (publ)**  
*The Board of Directors*

**Resolution to issue warrants and approval of transfer to participants**

The Board of Directors proposes that the general meeting resolves to issue 2,000,000 warrants, whereby the share capital can be increased with not more than SEK 128,000.

1. The right to subscribe for warrants shall, with deviation from the shareholders' pre-emptive rights, accrue to the company, Veg of Lund AB (publ). The company shall then transfer the warrants to participants in accordance with the terms for the incentive program.
2. Each warrant entitles the holder to subscribe for one new share in Veg of Lund AB (publ) during the period from and including 1 May 2026 up to and including 31 May 2026, at an exercise price corresponding to 150 percent of the volume weighted average price for the company's share during the period of ten trading days immediately preceding the offer to acquire warrants, however, not less than the quota value of the share. Any premium shall be distributed to the non-restricted share premium fund.
3. Subscription of warrants must take place no later than 25 May 2023. The Board shall have the right to extend the subscription period.
4. The warrants shall be issued free of charge to Veg of Lund AB (publ).
5. The warrants shall in all other respects be governed by the terms and conditions set forth in Appendix A1.

It is further proposed that the CEO should be authorized to undertake such minor adjustments in the resolution as may be required for the registration with the Companies Registration Office.

The reason for the deviation from the shareholders' pre-emptive rights is to implement an incentive program for employees in the company.

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