

LINC AB'S PROPOSAL REGARDING A RESOLUTION ON IMPLEMENTATION OF A LONG-TERM INCENTIVE PROGRAMME FOR BOARD MEMBERS BY WAY OF (I) A DIRECTED ISSUE OF WARRANTS AND (II) APPROVAL OF TRANSFER OF WARRANTS (WARRANT PROGRAMME 2022/2027)

Linc AB proposes that the annual general meeting resolves on implementation of a long-term incentive programme (Warrant programme 2022/2027) for board members by way of (A) directed issue of no more than 2,800,000 warrants to the Company and/or its subsidiary InDex Pharmaceuticals AB, org. no. 556704-5140 (the "Subsidiary"), as set forth in item A below, and (B) approval of transfer of the issued warrants from the Company/Subsidiary to the board members in the Company as set forth in item B below.

Main terms of the incentive programme

The incentive programme shall encompass the board members that are elected or re-elected at the annual general meeting (the "Participants"). Participation in the incentive programme requires the election or re-election of the board members concerned at the annual general meeting 2022.

The incentive programme entails that Participants, who have entered into an agreement with the Company/Subsidiary (the "Warrant Agreement"), are offered to acquire warrants at market value, calculated as set forth below. Warrants may be transferred to the Participants free-of-charge provided that it does not entail negative tax consequences for the group (only applicable with respect to Participants in other jurisdictions than Sweden).

The Warrant Agreement will include a so called vesting structure with a vesting period of at least three years, a re-purchase right for the Company/Subsidiary applicable under certain circumstances, certain transfer restrictions and other terms and conditions customary for such agreements with some potential differences due to requirements under local law.

Each warrant shall entitle the warrant holder to subscribe for one (1) new share in the Company against cash consideration at an exercise price of SEK 4.50. Any amount that exceeds the quotient value shall be transferred to the nonrestricted share premium account.

The warrants may be exercised for subscription of new shares during the periods from and including 15 June 2025 until and including 15 July 2025, from and including 15 June 2026 until and including 15 July 2026 and from and including 15 June 2027 until and including 15 July 2027. Subscription of new shares may however not take place during so-called closed periods according to the EU Market Abuse Regulation, or otherwise in breach of relevant insider rules and regulations (including the Company's internal guidelines in this respect). Warrants that have not been exercised for subscription of new shares by 15 July 2027 shall lapse.

The rationale for the incentive programme and reasons for deviation from the shareholders' preferential rights

The rationale for the incentive programme is to create involvement for the Participants in terms of the Company's and the group's development and to ensure that these individuals share the goal of generating value-adding growth, and to motivate continued assignments.

The warrants are proposed to be issued to the Company and/or to the Subsidiary in order to enable delivery of new shares to the Participants in the program.

Existing share related incentive programmes

Long term incentive program 2020/2023 (LTIP 2020)

At the annual general meeting held on 20 April 2020 it was resolved on a directed issue of 3,965,000 warrants within the framework of an incentive program to senior executives and other key persons. At the time of this proposal there are currently 851,721 outstanding warrants within the framework of the incentive program (after the cancellation of 3,006,612 warrants registered with the Swedish Companies Registration Office on 22 March 2021 and the cancellation of 106,667 warrants which is planned to take place before the annual general meeting 2022). Each warrant entitled to subscribe for one new share in the Company at a subscription price of SEK 20.00. The warrants may be exercised from and including 1 May 2023 until and including 31 October 2023. As a result of the rights issue completed during February 2021, the subscription price and the number of shares each warrant entitles the holder to subscribe for has been recalculated in accordance with applicable terms and conditions. The recalculated subscription price amounts to SEK 7.804 and each warrant entitles to subscribe to subscribe for 2.5627 shares.

Long term incentive program 2021/2024 (LTIP 2021)

At the annual general meeting held on 3 June 2021 it was resolved on a directed issue of 7,200,000 warrants within the framework of an incentive program for senior executives and other key persons. At the same time, an additional 2,262,240 warrants were resolved to cover cash flow effects from potential social security costs. At the time of this proposal there are 7,203,130 outstanding warrants within the framework of the incentive program (after the cancellation of 2,259,110 warrants which is planned to take place before the annual general meeting 2022). Each warrant entitles to subscribe for one new share in the Company at a subscription price of SEK 4.00. The warrants may be exercised from and including 1 July 2024 until and including 31 December 2024.

Costs, dilution, etc.

There are costs associated with the incentive programme in respect of valuation, consultancy services and costs for registration and practical management of the programme. There should not be any security costs or similar payable by the group.

Upon full subscription, transfer and exercise of all 2,800,000 issued warrants, a total of 2,800,000 new shares will be issued in the Company (subject to potential recalculations in

accordance with customary terms and conditions applicable for the warrants). This corresponds to approximately 0.53 % of the total share capital and number of shares/votes in the Company and would lead to a dilution corresponding to approximately 0.52 % of the total share capital and number of shares/votes (based on the share capital and number of shares/votes in the Company registered with the Swedish Companies Registration Office as of the day of this proposal and calculated as the maximum amount of share capital and number of shares/votes that may be issued, divided by the total share capital and the total number of shares/votes in the Company after all warrants have been exercised). The dilution calculation does not take into account potential new shares as a result of existing incentive programmes or the incentive programme for employees and consultants proposed to be adopted at the annual general meeting meaning that the potential dilution may be lower than the aforementioned. The costs associated with the program are expected to have only a marginal effect on the Company's key ratios.

The above calculations regarding dilution and impact on key ratios are subject to recalculations in accordance with the customary recalculation terms set out for the programme.

Preparation of the proposal

This proposal has been prepared by Linc AB together with external consultants. The final proposal has been presented by the abovementioned party.

Majority requirements

The proposed incentive programme is subject to the provisions in Chapter 16 of the Swedish Companies Act (Sw. Aktieföretagslagen (2005:551)), and a valid resolution therefore requires that the proposal is supported by shareholders representing at least nine-tenths (9/10) of the votes cast as well as of all shares represented at the annual general meeting.

A. Directed issue of warrants

1. The Company shall issue no more than 2,800,000 warrants of series 2022/2027. Each warrant entitles to subscription of one (1) new share in the Company, each with a quotient value of SEK 0.02. If all warrants are subscribed, transferred to and exercised by the Participants for subscription of new shares, the Company's share capital will increase by SEK 56,000 (subject to potential recalculations in accordance with customary terms and conditions to be applicable in relation to the warrants).
2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by the Company/Subsidiary after which they are to be transferred to the Participants in accordance with the resolution adopted by the general meeting. The reason for the deviation from the shareholders' preferential rights is that the warrants are to be used within the proposed incentive programme.
3. The Company's/Subsidiary's subscription of the warrants shall be made on a special subscription list within five (5) calendar days from the date of the general meeting that

resolves on the issue. The board of directors shall have the right to extend the subscription period.

4. The Company/Subsidiary is not to pay any subscription price for the warrants.
5. The warrants may be exercised for subscription of new shares during the periods from and including 15 June 2025 until and including 15 July 2025, from and including 15 June 2026 until and including 15 July 2026 and from and including 15 June 2027 until and including 15 July 2027.
6. The subscription price per new share is determined to be SEK 4.50. Any amount that exceeds the quotient value shall be transferred to the nonrestricted share premium account.
7. Shares issued following subscription shall entitle to participation in the distribution of dividends for the first time on the record date for dividends that occurs immediately following definite registration of the new shares with the Swedish Companies Registration Office and in the Company's share register kept by Euroclear Sweden AB.
8. The warrants shall also be subject to the terms and conditions set forth in Schedule A.
9. The chairman of the board of directors, the CEO or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office.

B. Approval of transfer of warrant to the Participants

A resolution to issue warrants in accordance with this proposal also includes an approval of the transfer of warrants to the Participants.

The warrants are to be transferred to the Participants against a premium payable by the Participants corresponding to the theoretical market value of the warrants as of the date of transfer, calculated by an independent valuation agent engaged by the Company by use of the Black & Scholes valuation model. Warrants may be transferred to the Participants free-of-charge provided that it does not entail negative tax consequences for the group (only applicable with respect to Participants in other jurisdictions than Sweden). The market value is preliminary estimated to SEK 0.12 per warrant, based on a market value of the underlying share corresponding to SEK 1.50 and a subscription price of SEK 4.50 per new share.

The Participants may be allocated warrants as set forth below. No Participant may be offered a higher number of warrants than the maximum allocation set forth below.

Category	Maximum number of warrants per Participant	Maximum number of warrants within the respective category
Chairman of the board of directors	800,000	800,000
Other board members (5 persons)	400,000	2,000,000

A Participant can choose to acquire a lower but not a higher number of warrants than offered to the Participant.

For Participants in other jurisdictions than Sweden, it is implied that transfer of warrants is legally possible and that transfer, in the Company's opinion, can be carried out with reasonable administrative and financial efforts. The Company shall have the right to adjust the terms of the Warrant Programme 2022/2027 to the extent required in order for allotment of warrants to participants in other jurisdictions, to the extent practically possible, to be made under the same conditions imposed by the Warrant Programme 2022/2027.

The board of directors