

## BOARD OF DIRECTORS' OF STRAX AB (PUBL) COMPLETE PROPOSAL FOR WARRANT PROGRAM 2016 AND ISSUE OF WARRANTS

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The Board of Directors proposes that the general meeting resolves on a new warrant program and issuance of warrants (the “**Warrant Program**”).

### **Background and motive**

The Board of Directors considers it to be in the interest of the company and the shareholders that the executive management and other employees of the Strax group are made part of the company's development by being offered warrants in a new warrant program. The reasons for the proposal are to create opportunity to retain and attract qualified personnel to the group and to increase motivation for the executive management and other employees of the company by being involved in and working for a positive value increase on the company's share during the period covered by the Warrant Program.

Given the terms and conditions, size of allotment and other circumstances, the Board of Directors consider the Warrant Program, in accordance with the below, to be reasonable and advantageous for the company and its shareholders.

### **Allotment, transfer and regarding the terms and conditions for the warrants**

In total, no more than 4,095,000 warrants is proposed to be issued through the Warrant Program for the executive management and other employees in accordance with the below. Entitled to subscribe for warrants is the wholly owned subsidiary Novestra Financial Services AB, which will transfer the warrants to employees in the group. The warrants shall be issued free of charge to Novestra Financial Services AB.

Transfer of warrants to participants shall be made at a price corresponding to the market value of the warrant (i.e. the warrant premium) determined using the Black & Scholes-formulae. The valuation of the warrants shall be made by an independent financial adviser or accounting firm. Transfer of warrants to participants in the Warrant Program shall be made in accordance with the allocation below.

Category	Total maximum warrants	No. of persons in the category
1 – CEO	850,000	One person
2 – Other executive management	2,050,000 (whereby no single individual may receive more than 500,000)	Five persons
3 – Other employees	1,450,000 (whereby no single individual may receive more than 100,000)	Thirty persons

Not more than a total of 4,095,000 warrants may be allotted within the Warrant Program.

Each warrant entitles to subscription of one share in Strax during the period from and including 1 April 2020 up to and including 30 September 2020, to an exercise price corresponding to 130 per cent of the average volume weighted Strax share price as quoted on Nasdaq Stockholm's official price list during the period 10 trading days calculated from the general meeting that resolves on the Warrant Program and onwards. The calculated exercise price shall be rounded off to nearest even tenth of a krona, whereupon 0.05 krona will be rounded up.

The exercise price and number of shares that each warrant entitles to subscribe for shall be recalculated in the event of a share split, share consolidation, new issue, etc. in accordance with customary conversion conditions. The warrants may, in accordance with customary terms and conditions, be exercised prior to the exercise period in the event of, for example, compulsory acquisition of shares, liquidation or merger whereupon Strax will merge into another company.

Right to hold and exercise the warrants assumes that the holder is employed in the Strax group up until the moment when the warrants may be exercised. In connection with the transfer of warrants to the participants, Novestra Financial Services AB will reserve the right to buy back warrants if the participant's employment or assignment in the group ends or if the participant wants to reassign the warrants.

Regarding employees resident outside of Sweden, participation requires that transfer of warrants is legal, and that the Board of Directors, in its sole discretion, consider it to be possible within reasonable administrative and economic efforts. The warrants are otherwise subject to the terms and conditions set forth in Appendix A.

***Dilution effect, costs, etc.***

The Board of Directors' proposal to resolve on issuance of warrants entails a dilution effect corresponding to a maximum of approximately 3.5 per cent of the shares and votes in the company if the proposed warrants are exercised in full. For information regarding the company's existing incentive programs, please refer to the company's annual report for 2015 and the company's website (strax.novestra.com). The Warrant Program is expected to have a marginal effect on the Strax group's key ratios.

The subscription price at the transfer of warrants will correspond to the market value of the warrants, why no costs pertaining to employees or social costs will arise for the company in connection with the issue. It is estimated that the total cost for the Warrant Program will not exceed SEK 100,000 for the duration of the Warrant Program.

The market value of the warrants, according to a preliminary valuation based on the market value of the underlying share corresponding to the share price of the company's share 21 November 2016, is SEK 0.46 per warrant, assuming a strike price of SEK 6.89 per share. The Black & Scholes-formulae has been used for the valuation, assuming a volatility of 25 per cent.

***Preparation of the proposal***

The proposal has been prepared of the Board of Directors and the Board of Directors will execute the resolution above to issue warrants.

***Majority requirements***

The resolution in this proposal requires the support of shareholders representing not less than nine tenths (9/10) of votes cast as well as shares represented at the general meeting.

**Warrant Program 2016 – issue of warrants**

The board of directors proposes that the shareholders' meeting resolves to issue not more than 4,095,000 warrants.

1. With deviation from the shareholders' pre-emptive rights, Novestra Financial Services AB, a wholly owned subsidiary of Strax AB (publ) shall be entitled to subscribe for the warrants.
2. Each warrant entitles to subscription of one share in Strax during the period from and including 1 April 2020 up to and including 30 September 2020, to an exercise price corresponding to 130 per cent of the average volume weighted Strax share price as quoted on Nasdaq Stockholm's official price list during the period 10 trading days calculated from the general meeting that resolves on the Warrant Program and onwards. The calculated exercise price shall be rounded off to nearest even tenth of a krona, whereupon 0.05 krona will be rounded up. The exercise price and number of shares that each warrant entitles to subscribe for shall be recalculated in the event of a share split, share consolidation, new issue, etc. in accordance with customary conversion conditions. The warrants may, in accordance with customary terms and conditions, be exercised prior to the exercise period in the event of, for example, compulsory acquisition of shares, liquidation or merger whereupon Strax will merge into another company. If the warrants are exercised in full the share capital will increase by SEK 4,095,000.
3. The subscription for warrants shall be made no later than 10 January 2017. However, the board of directors shall be entitled to extend the subscription period.
4. The warrants shall be issued free of charge.
5. The warrants shall in all other respects be governed by the terms and conditions set forth in Appendix A.1.

It is further proposed that the CEO should be authorised to undertake such minor adjustments in the decision that may be required for the registration with the Companies Registration Office and Euroclear Sweden AB.

There can be no over-subscription.

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The reason for the deviation from the shareholders' pre-emptive rights is to implement a warrant program for the management and key employees in the company.