

The board of directors' proposal on a resolution regarding a long-term share incentive program (2025/2028) for employees in the company including a) resolution to introduce an incentive program and b) resolutions regarding hedging arrangements in respect of the incentive program (item 15)

Background

The board of directors in BioArctic AB (publ), 556601-2679 ("**BioArctic**"), proposes that the general meeting resolves to introduce a long-term incentive program for employees in the company (the "**Program**"). At the 2023, 2024 and 2025 annual general meetings, it was resolved to introduce long-term share-based incentive programs based on performance share rights aimed at the company's employees. The board of directors' intention is for the performance share programs to be recurring annually and, against this background, the board presents the proposal regarding the Program.

The board of directors considers that it is essential and in all shareholders' interest that the company's employees, who are considered to be important for the company's further development has a long-term interest in a positive development in value of the shares in the company. The board of directors believes that the Program will increase the interest in the company's operations as well as increase the participants' motivation and sense of community with the company and its shareholders.

The Program includes all employees of the company or other companies within the group. The board of directors may also, if the board deems it in the interest of the company, offer one or more new employees to participate in the Program under the conditions described below.

The Program is a three-year incentive program under which the participants will be awarded performance based share units ("**PSU**") which, provided that certain conditions are met, entitle the holder to receive B-shares in the company free of charge in accordance with the conditions set out in item **Fel! Hittar inte referenskölla..A** below. As part of the implementation and execution of the Program, it is further proposed that the board of directors be authorised to repurchase shares in the company, that a maximum of 309,000 warrants be issued, and that the General Meeting approve transfers of shares and/or warrants in accordance with item **Fel! Hittar inte referenskölla..B** below.

A. Introduction of the Program

The board of directors proposes that the General Meeting resolves to introduce the Program in accordance with the principal conditions set out below.

Requirements for participation in the Program and allocation of PSUs

The Program covers a maximum of 235,000 PSUs. The board of directors has the right to resolve on the allocation of PSUs on one or more occasions (but no later than 1 September 2026) in accordance with the principles below. The PSUs shall be allocated free of charge.

PSUs may be allocated to persons who are employed by the company or another company within the group upon the board's decision on allocation. Employees are defined as full- and part-time employees, including employees on a probationary period, but not hourly employees. A person who has entered into an employment agreement with the company or another company within the group but has not started his or her employment on the said date shall not be considered an employee. A person who has resigned their employment or been dismissed on the said date but is still employed, shall not be considered an employee. The board of directors has the right to grant exemptions from the employment requirement, including that someone employed after 1 September 2026, can be included in the Program, if the board of directors deems that it is favorable for the company.

The board of directors may take into account the employee's performance and goal achievement when resolving on allocation, otherwise the allocation of PSUs is not conditional on performance criteria. The board of directors considers that this is justified by the fact that the exercise of the PSUs is conditional on both vesting and that the performance-related conditions are met.

The Participants in the Program are divided into four categories:

- CEO ("**Category 1**") who can be awarded a maximum of 10,000 PSUs;
- members of the management ("**Category 2**") who can be awarded a maximum of 5,000 PSUs per person and a maximum of 55,000 PSUs for all participants in Category 2;
- other key personnel ("**Category 3**") who can be awarded a maximum of 3,000 PSUs per person and a maximum of 120,000 PSUs for all participants in Category 3; and
- other employees ("**Category 4**") who can be awarded a maximum of 500 PSUs per person and a maximum of 62,500 PSUs for all participants in Category 4.

The maximum number of PSUs that can be awarded in the Program are 235,000.

The participants are hereafter referred to individually as "**Participant**" and together as "**Participants**".

Right to receive B-shares with the support of PSUs

After vesting, each PSU allocated to Participants entails a right to receive one (1) B-share in the company free of charge provided that the performance conditions are met (see under the heading *Vesting and Performance conditions* below).

The number of B-shares to which each PSU entitles may be subject to recalculation as a result of certain company events (see under *Recalculation* below).

The board of directors has the right to resolve that Participants shall receive, in whole or in part, cash compensation instead of B-shares. The cash compensation per assigned and vested PSU shall amount to the volume-weighted average price of the company's B-share on Nasdaq Stockholm during a period of thirty (30) trading days prior to the Vesting Date. However, the total cash compensation cannot exceed 20 percent of the Participant's fixed annual salary.

Vesting

The PSUs are connected to the Participant's employment with the company or another group company and are subject to vesting in accordance with what is stated below.

All PSUs shall be considered vested if the Participant is still employed by the company or another group company on the date which is three (3) years after the board of directors' decision on the allocation of PSUs ("**Vesting Date**"). A Participant who has resigned his/her employment or has been dismissed on the said day but who is still employed shall not be considered an employee. PSUs may also be vested by a Participant who, as of the Vesting Date, is not employed by the company or another group company but who, according to the board of directors' assessment, is a so-called *good leaver* in the manner defined in more detail in the agreement regarding the PSUs (e.g. a Participant who has retired or who has been dismissed due to redundancy).

If the employment with the company or another group company is terminated before the Vesting Date, all of the Participant's PSUs expire, with the exception where the Participant is considered to be a good leaver as described above.

Performance conditions

The Participants are entitled to receive B-shares based on the vested PSUs if and to the extent that the performance conditions are met as set out below:

- Conditions regarding the accumulated total shareholder return (TSR) regarding the company's B-share as set below (the return condition): 30 percent of the allocated and vested PSUs.
- One or more operational conditions that relate to the company's research and development and/or partnerships and that are determined by the board (the operational conditions): 60 percent of the allocated and vested PSUs if the condition is fully met. If the condition is partially met, the board of directors may decide that a smaller portion of the allocated and vested PSUs may be used (as a starting point in proportion to the fulfillment of the condition).
- One or more sustainability-related conditions set by the board (sustainability conditions): 10 percent of the allocated and vested PSUs if the condition is fully met. If the condition is partially met, the board may decide that a smaller portion of the allocated and vested PSUs may be used (as a starting point in proportion to the fulfillment of the condition).

Fulfillment of the performance conditions shall be assessed as of 28 May 2029.

The return condition shall be considered achieved if the accumulated total shareholder return (shareholder return in the form of share price appreciation together with the reinvestment of any dividends) ("**TSR**")¹ of the company's B-shares on Nasdaq Stockholm is at least 30 percent during the measurement period (i.e. a period of thirty (30) trading days prior the annual general meeting on 28 May 2026, compared to a period of thirty (30) trading days prior to the 28 May 2029). The board of directors may resolve to adjust the return condition in the event of a share split or consolidation of shares or other comparable corporate events.

The operational conditions and sustainability conditions shall be determined by the board in connection with the allocation of PSUs. The board shall have the right to adjust the operational conditions and sustainability conditions during the vesting period if there are special reasons that justify such an adjustment, for example extraordinary events, reorganisations and structural changes.

After the end of the vesting period, the board shall publish the operational conditions and sustainability conditions, the extent to which these have been met and how allocation has taken place based on the fulfillment of such conditions.

Recalculation

The number of B-shares to which each PSU entitles may be subject to recalculation as a result of a bonus issue, reverse split or split of shares, rights issue or similar measures. Resolutions on recalculation are made by the board of directors. The terms of recalculation in the full terms for warrants of series 2026/2029 (see under item **Fel! Hittar inte referenskälla..B** below) shall be applied as far as possible and otherwise the recalculation shall consider customary practices for similar incentive programs.

Other conditions

The right to participate in the Program is conditional on the Participant entering into an agreement regarding the PSUs with the company or another company within the group. The agreement shall be in accordance with the terms and conditions in this proposal and otherwise contain customary conditions for this type of incentive program. The board of directors shall be responsible to draw

¹ TSR is calculated by comparing the volume-weighted average share price of the company's B-share during thirty (30) trading days prior to the annual general meeting on 28 May 2026 with the volume-weighted average share price of the company's B-share during thirty (30) trading days prior to the 28 May 2029, including reinvested dividends. The return condition implies that the TSR on average shall correspond to approximately 9 percent per annum in order for the allocation to take place.

up the agreement and for the implementation and execution of the Program within the framework of the main conditions and guidelines stated above.

The board of directors has the right, within the framework of the agreement with the respective participants, to make the reasonable changes and adjustments to the terms of the PSUs that are deemed appropriate or expedient as a result of local labor law or tax law rules or administrative conditions. It can, inter alia, mean that continued vesting of PSUs may take place in certain cases where this would not otherwise have been the case. The board of directors also has the right to advance the vesting and the timing of the exercise of PSUs, such as in the event of a public takeover offer, certain ownership changes in the company, liquidation, merger and similar measures. Finally, the board of directors has the right to limit the scope of or prematurely terminate the Program, in whole or in part, in extraordinary cases.

The PSUs shall not constitute securities and may not be transferred, pledged or otherwise disposed of by the holder. However, the rights according to vested PSUs are transferred to the estate in the event of the Participant's death.

Participation in the Program assumes that such participation can legally take place, and that, according to the board of directors' assessment, such participation can take place with reasonable administrative costs and financial efforts.

The board of directors shall have the right to resolve on minor deviations in the Program that may be necessary to fulfil the purpose of the Program. In that regard, the board of directors shall have the right to make the necessary adjustments to these terms and conditions in order to meet special rules or market conditions outside Sweden.

B. Hedging arrangements in respect of the Program

In order to be able to implement the Program in a cost-effective and flexible manner, the board of directors has considered various methods for the delivery of B-shares within the Program, such as repurchasing and transfer of own shares in the company to Participants in the Program as well as issuing and subsequent transfer of warrants entitling to the subscription of new B-shares to Participants in the Program. The board of directors has also taken into account that the delivery of B-shares within the Program shall take place in 2029 at the earliest. In order to secure the company's commitments according to item **Fel! Hittar inte referenskölla..A** as well as secure related costs, the board of directors also proposes that the General Meeting resolves in accordance with the proposals below under item **Fel! Hittar inte referenskölla..B.1** proposal for resolution on the approval of the transfer of own shares in the company, **Fel! Hittar inte referenskölla..B.2** proposal for a resolution on authorisation for the acquisition of shares in the company, and **Fel! Hittar inte referenskölla..B.3** proposal for a resolution on the directed issue of warrants and approval of the transfer of warrants and shares subscribed with support of warrants, with the right for the board of directors to combine or choose any of them.

1. Proposal for resolution on transfer of repurchased shares to Participants

The board of directors proposes that the Annual General Meeting resolves to approve the transfer of the company's B-shares to the Participants, under the following terms.

- a) Only B-shares in the company may be transferred, and a maximum of 235,000 B-shares in the company (subject to recalculation) may be transferred free of charge to Participants.
- b) The right to acquire B-shares in the company, free of charge, shall be granted to Participants, notwithstanding shareholders' preferential rights. The company's subsidiaries or financial intermediaries engaged by the company shall also be entitled to acquire B-shares in the company free of charge, notwithstanding shareholders' preferential rights. Such acquirer shall be obliged to immediately transfer the B-shares to Participants, in accordance with the Program's terms.

- c) B-shares in the company shall be transferred free of charge, at the time and under the other terms in the Program according to which Participants are entitled to receive B-shares.
- d) The number of B-shares in the company that may be transferred under the Program shall be subject to recalculation to take into account bonus issues, share splits, rights issues, dividends and/or other similar corporate events in the corresponding manner that applies to the recalculation of PSUs.
- e) Transfers of no more than the number of B-shares held by the company from time to time may also take place at Nasdaq Stockholm, including through a financial intermediary, at a price within the price range registered at any time to cover any social charges in accordance with the terms of the Program and/or the previous performance share programs.

2. Proposal for resolution on authorisation for the board of directors to resolve on acquisition of shares in the company to ensure delivery within the Program and previously resolved incentive programs

To ensure the company's commitment to deliver shares to the Participants in the Program and the previously resolved performance share programs, the board of directors proposes that the Annual General Meeting authorises the board of directors to resolve on repurchase of B-shares in the company in accordance with the following terms:

- a) Acquisitions may take place at Nasdaq Stockholm.
- b) The authorisation may be used on one or more occasions, but no later than the 2027 annual general meeting.
- c) The number of B-shares required for the delivery of shares to the Participants in the Program and/or the previously resolved performance share programs and to finance social security contributions or other costs related to the Program and/or the previously resolved performance share programs, however no more than 730,000 B-shares (subject to recalculation), may be acquired to ensure such delivery as well as to be held for a possible future disposal to finance social security contributions or other costs related to the Program.
- d) Acquisition of shares in the company shall be made against cash payment and at a price within the market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price.
- e) The board of directors may resolve on other conditions for the acquisition.

3. Proposal for resolution on a directed issue of warrants and approval of transfer of warrants to ensure delivery within the Program

To secure the company's commitment to deliver B-shares to the Participants in the Program as well as to enable possible future disposals to finance social security contributions or other costs related to the Program, the board of directors proposes that the General Meeting resolves on a directed issue of warrants with the right to subscribe for new B-shares in the company, in accordance with the proposal below.

The board of directors' proposal entails that the General Meeting shall decide on a directed issue of 309,000 warrants with the right to subscription of new B-shares in the company, on the terms and conditions set out below.

1. The warrants are issued free of charge. Each warrant will give the right to subscribe for one new B-share in the company. If all warrants are used for subscription of shares, the company's share capital will increase with a maximum of SEK 6,180.
2. The right to subscribe for new warrants shall, with deviation from the shareholders pre-emption rights, belong to BioArctic AB.

3. Subscription of warrants shall be made no later than 30 June 2026. The board of directors shall have the right to extend the subscription period.
4. Subscription of B-shares in the company can be made from the registration of the warrants with the Swedish Companies Registration Office and up to and including 31 December 2029.
5. Each warrant entitles to subscription for one new B-share in the company at a subscription price corresponding to the share's quota value, SEK 0.02.
6. The new B-shares that has been issued by virtue of the warrants entitles to dividend for the first time on the first record date for dividend to take place after the subscription of new B-shares has been registered with the Swedish Companies Registration Office.
7. The number of B-shares that may be issued under each warrant may be recalculated in accordance with the terms and conditions for the warrants due to a bonus issue, share split or consolidation, rights issue and/or any similar event.
8. The complete terms and conditions for the warrants, including recalculation principles, are set out in Appendix 1 to the board of directors' complete proposal.

Reason for the deviation from the shareholders' pre-emption right

The reason for deviating from the shareholders' pre-emption rights is to ensure the company's commitment to deliver B-shares in accordance with the Program and otherwise dispose of the warrants to cover costs for, or fulfil commitments under, the Program.

Transfer of the warrants and shares subscribed with support of warrants

Furthermore, the board of directors proposes that the General Meeting resolves to approve that BioArctic, on one or more occasions, may transfer warrants and/or shares subscribed with support of warrants to the Participants in the Program or a financial intermediary engaged by the company (for further transfer to the Participants in the Program) in accordance with the terms and conditions of the Program, and dispose of the warrants in order to cover costs related to, or fulfil obligations occurring under, the Program.

Special authorisation

The board of directors proposes that the board of directors, or anyone appointed by the board of directors, shall be entitled to make minor adjustments to the above proposed resolution that may be necessary upon registration of the resolution with the Swedish Companies Registration Office or due to any other formal requirement.

Preparation of the matter

The proposed Program and related hedging measures have, according to guidelines issued by the board of directors, been prepared by the company's remuneration committee, with the help of external advisers. The remuneration committee has presented the work to the board of directors, after which the board of directors has decided to propose that the Program and associated hedging measures be adopted at the Annual General Meeting 2026.

Cost of the Program and the Program's effects on key performance indicators

The Program will be reported in accordance with IFRS 2, which means that the PSUs shall be expensed as a personnel cost and accrued over the vesting period and continuously revalued at each reporting occasion.

If the total shareholder return amounts to 30 percent and all other conditions are met in full, the expected annual costs amount to MSEK 26.6, including social security costs, which is equal to

approximately 10.2 percent of the company's total personnel costs for the financial year 2025. The Program's effect on the company's earnings per share and other key performance indicators are limited.

The table below contains an estimate of the company's total costs for the Program for different accumulated total shareholder return outcomes, assuming that all PSUs are vested, that all performance conditions are met in full and that the percentage for social security costs is 31 percent.

	<i>Assumed total shareholder return (TSR)</i>		
	20 %	30 %	40 %
Estimated annual cost	MSEK 23.1	MSEK 26.6	MSEK 27.4

It should be noted that all calculations are preliminary, based on assumptions and only intended to provide an illustration of the costs that the Program may entail. Actual costs may thus deviate from what is stated above.

Dilution

Assuming the maximum allotment of PSUs and that no company events causing recalculation to occur during the vesting period, the number of B-shares to be allotted free of charge under the Program amounts to a maximum of 235,000 B-shares in the company.

If warrants are utilised for the purpose of delivering B-shares according to the terms and conditions of the Program or financing the company's costs for the Program, it will result in a dilution effect for existing shareholders. At full utilisation of the warrants, the number of outstanding B-shares in the company will increase by 309,000. These B-shares constitute 0.35 percent of the number of shares and 0.13 percent of the votes, calculated as the number of new shares in relation to the sum of existing shares and new shares in the company.

If repurchased shares (in accordance with the board of directors' proposal for acquisition and transfer of own shares) are fully or partly transferred to the Participants in the Program instead of exercising warrants, the dilution will be reduced.

Previous incentive programs in BioArctic

BioArctic has four outstanding long-term share-related incentive programs, Employee Share Option Program 2019/2028, Performance Share Program 2023/2026, Performance Share Program 2024/2027 and Performance Share Program 2025/2028.

Employee Share Option Program 2019/2028 is an employee stock option program for the company's management, researchers and other employees. The employee stock option program 2019/2028 includes up to 1,000,000 employee stock options. To enable the company's delivery of shares under the employee stock option program 2019/2028, the annual general meeting resolved on a directed issue of a maximum of 1,000,000 warrants. As of 31 March 2026, the number of outstanding and not yet exercised employee stock options amounted to 180,500. The outstanding employee stock options may entail a dilution effect corresponding to 0.20 percent of the share capital and 0.08 percent of the votes in the company (calculated based on the number of existing shares in the company), provided that full utilisation of all outstanding employee stock options takes place.

Long-term incentive program (program 2023/2026) is a performance share program aimed at the company's senior executives, researchers and other personnel and includes up to 125,000 PSUs. To enable the company's delivery of shares under the performance share program 2023/2026, the annual general meeting 2023 resolved on a directed issue of a maximum of 125,000 warrants. As of 31 March 2026, the number of outstanding and not yet exercised PSUs amounted to 115,500 and the number of outstanding and not yet exercised warrants amounted to 125,000. The

maximum dilution effect of the performance share program 2023/2026 is estimated to amount to 0.10 percent of the share capital and 0.04 percent of the votes in the company (calculated based on the number of existing shares in the company), provided that all 115,500 PSUs are fully exercised, and that the delivery of shares takes place through exercise of 115,500 warrants, and that the remaining 9,500 outstanding warrants are exercised to cover part of the social security costs of the long-term incentive program.

Long-term incentive program (program 2024/2027) is a performance share program aimed at the company's senior executives, researchers and other personnel and includes up to 160,000 PSUs. To enable the company's delivery of shares under the performance share program 2024/2027, the annual general meeting 2024 resolved on a directed issue of a maximum of 210,000 warrants. As of 31 March 2026, the number of outstanding and not yet exercised PSUs amounted to 146,000 and the number of outstanding and not yet exercised warrants amounted to 210,000. The maximum dilution effect of the performance share program 2024/2027 is estimated to amount to 0.22 percent of the share capital and 0.09 percent of the votes in the company (calculated based on the number of existing shares in the company), provided that all 146,000 PSUs are fully exercised, and that the delivery of shares takes place through exercise of 146,000 warrants, and that an additional 45,873 outstanding warrants are exercised to cover the social security costs of the long-term incentive program.

Long-term incentive program (program 2025/2028) is a performance share program aimed at the company's employees and includes up to 210,000 PSUs. To enable the company's delivery of shares under the performance share program 2025/2028, the annual general meeting 2025 resolved on a directed issue of a maximum of 276,000 warrants. As of 31 March 2026, the number of outstanding and not yet exercised PSUs amounted to 198,500 and the number of outstanding and not yet exercised warrants amounted to 276,000. The maximum dilution effect of the performance share program 2025/2028 is estimated to amount to 0.29 percent of the share capital and 0.12 percent of the votes in the company (calculated based on the number of existing shares in the company), provided that all 198,500 PSUs are fully exercised, and that the delivery of shares takes place through exercise of 198,500 warrants, and that an additional 62,369 outstanding warrants are exercised to cover the social security costs of the long-term incentive program.

Stockholm in April 2026

BioArctic AB (publ)

The board of directors