

Item 18 - The Board of Directors of Vitec Software Group AB (publ) complete proposal on resolution regarding a long-term share savings plan as well as authorization on acquisition and transfer of class B shares under the program

1. Background and motivation

- 1.1 The Board of Directors of Vitec Software Group AB (publ), org. no 556258-4804 ("**Vitec**" or the "**Company**") proposes that the Annual General Meeting resolves to implement a long-term share ownership program for current and future employees ("**Employees**") within the Vitec Group (Employee Share Savings Plan, "**ESSP 2023**").
- 1.2 The objective of ESSP 2023 is to align the interests of the Company's shareholders and Employees by encouraging the Employees to own Vitec class B shares. ESSP 2023 is also expected to increase the Employees' motivation and commitment to the Company, as well as to increase their interest in the Company's success in the long-term. Against this background, the Board believes that ESSP 2023 will have a positive impact on the future development of the Vitec Group and thus benefit both the shareholders and the Employees of Vitec.
- 1.3 The Board will, after evaluating the participation in, and the initial effects of, the share savings plan, decide whether new share savings plans with similar conditions should be proposed. The Board also intends, if necessary, to come back at subsequent Annual General Meetings with a proposal that the Board be authorized to decide on further acquisitions of own class B shares for transfer to the participants in ESSP 2023 or any additional share savings programs or transfers to secure any related social security contributions.

2. Preparation of the proposal

The Board's proposal to the Annual General Meeting regarding ESSP 2023 has been prepared by the Board together with external advisors in accordance with the guidelines of the Board and after discussions with major shareholders. The Board has decided to propose ESSP 2023 to the Annual General Meeting for decision in accordance with the proposal below.

3. ESSP 2023 overview

- 3.1 ESSP 2023 is proposed to address current and future Employees within the Vitec Group. Subject to their own investment in Vitec class B shares ("**Savings Shares**"), during a period of twelve (12) months ("**Savings Period**"), normally through monthly savings, Employees will be offered the opportunity to receive, free of charge, an allocation of Vitec class B shares after a holding period which commences after the first acquisition of Savings Shares and ends on 30 June 2026 ("**Holding Period**"). The maximum savings amount will be differentiated with respect to the Employee's role within the Vitec Group. Employees may receive an allocation of class B shares provided that their employment or a position as the CEO has not been terminated as a so-called bad leaver before the end of the Holding Period and conditional upon maintenance of their own initial investment in Savings Shares ("**Matching Shares**"). Matching Shares may not, however, be allocated during any such period when trading in the Company's shares is forbidden in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**") or any other equivalent legislation which applies at any given time.
- 3.2 An Employee's investment will be used to quarterly after the publications of the Company's quarterly reports, during the Savings Period, acquire as many whole Savings Shares as can be acquired with the Employee's accumulated investment at that time.
- 3.3 ESSP 2023 shall in total comprise no more than 446,086 class B shares in Vitec, corresponding to a dilution of approximately 1.2 percent of the total number of shares in the Company and approximately 0.7 percent of the total number of votes in the Company.

4. Transfer of class B shares under ESSP 2023

- 4.1 In order to implement ESSP 2023 in a cost-effective and flexible manner, the Board has considered various methods for transferring class B shares under ESSP 2023. The Board has concluded that the most cost-effective option is, and therefore proposes that the Annual General Meeting resolves as the main option, to authorize the Board to resolve on the acquisition of own class B shares in Vitec on Nasdaq Stockholm, which may later be transferred to participants in ESSP 2023. The detailed terms of the Board's main alternative are set out in sections B.–D. below.
- 4.2 In the event that the required majority according to sections B.–D. below cannot be reached, the Board proposes that Vitec may enter into share swap agreements with third parties in accordance with section E. below.

5. The Board's proposed resolution

Therefore, in order to maintain maximum flexibility, the Board of Directors proposes that the Annual General Meeting resolves:

- (i) on a long-term share savings plan (ESSP 2023) in accordance with the conditions set out in section A. below;

- (ii) to authorize the Board of Directors to resolve on the acquisition of own class B shares in Vitec on Nasdaq Stockholm and that acquired own class B shares may be i) transferred free of charge to participants in ESSP 2023, and ii) transferred to secure thereto connected costs for social security contributions in accordance with the conditions set out in sections B.–D. below; and
- (iii) in the event that the required majority according to sections B.–D. below cannot be reached that Vitec may enter into share swap agreements with third parties in accordance with the conditions in section E. below.

A. Decision on long-term share savings plan (ESSP 2023)

- a) ESSP 2023 is addressed to Employees of the Vitec Group, which currently consists of approximately 1,400 employees.
- b) ESSP 2023 means that Employees are offered the opportunity, subject to their own investment in Vitec class B shares (Savings Shares) during a Savings Period, to receive from Vitec or from another company within the Vitec Group, or from a designated third party, an allotment of Vitec class B shares free of charge. For every Savings Share, Employees participating in ESSP 2023 will have the opportunity, after the Holding Period to receive an allocation of one Vitec class B share (Matching Share).
- c) The maximum amount that each Employee participating in ESSP 2023 may invest in, normally through monthly savings, have been differentiated with reference to position and responsibility in the group and the participants have for this reason been divided into five different categories:
 Category A – Group CEO
 Category B – Group Management
 Category C – Business Unit Managers
 Category D – Local Management
 Category E – Other employees
- d) The maximum amount that each category above can invest during the Savings Period as well as the maximum number of participants in each category is set out in the table below.

	Maximum savings amount during the Savings Period (SEK)
Category A – not more than 1 person	500,000
Category B – not more than 15 persons	400,000
Category C – not more than 45 persons	300,000
Category D – not more than 125 persons	200,000

Category E – not more than 1,500 persons	100,000
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- e) Employees may only participate in the ESSP 2023 if they invest for a minimum of SEK 500 monthly during the Savings Period.
- f) An Employee's investment will be used to quarterly after the publications of the Company's quarterly reports, during the Savings Period, acquire as many whole Savings Shares as can be acquired with the Employee's accumulated investment at that time.
- g) Acquisitions of Savings Shares on behalf of the Employee will be made on Nasdaq Stockholm and be transferred to the Employee's custody account.
- h) It is a condition for the Employee to be able to receive Matching Shares that he or she, with certain specific exceptions, remains an Employee of the Vitec Group until the end of the Holding Period and that the Employee has retained Savings Shares acquired under the ESSP 2023 until the end of the Holding Period. Savings Shares that have been disposed of before the end of the Holding Period shall therefore not be taken into account when determining any allocation of Matching Shares.
- i) Matching Shares will be allocated as soon as possible after the end of the Holding Period.
- j) The Board shall be entitled to determine the detailed terms and conditions of ESSP 2023 within the framework of the main terms and conditions of ESSP 2023 as decided by the Annual General Meeting. The Board may in connection therewith make necessary adjustments to comply with specific local regulations or prevailing market conditions outside Sweden.
- k) If there are significant changes in the Vitec Group or in the market that, in the Board's opinion, would make the terms and conditions for the allocation of Matching Shares under ESSP 2023 unreasonable, the Board shall also have the right to decide on a reduced allocation of Matching Shares, or that no allocation of Matching Shares shall be made at all, for ESSP 2023 or for ESSP 2023 participants operating within a particular business unit or jurisdiction.
- l) Participation in ESSP 2023 requires that such participation can legally take place in the various jurisdictions concerned and/or that, in the opinion of the Board, participation can take place with reasonable administrative costs and financial effort.
- m) The number of Matching Shares will be recalculated as a result of any bonus issue, split, rights issue and/or other similar corporate action in such manner as the Board deems appropriate to obtain a reasonable result.
- n) Matching Shares may not, however, be allocated during any such period when trading in the Company's shares is forbidden in accordance with the Market Abuse Regulation or any other equivalent legislation which applies at any given time.

B. Resolution authorizing the Board to resolve on the acquisition of own class B shares in Vitec on Nasdaq Stockholm

In order to i) secure deliveries of class B shares to participants in ESSP 2023, and ii) secure thereto connected costs for social security contributions, in accordance with sections C.–D. below the Board proposes that the Annual General Meeting resolves to authorize the Board to resolve to acquire class B shares in Vitec on the following terms.

- a) Acquisition of class B shares in Vitec may only be made on Nasdaq Stockholm.
- b) The authorization may be exercised on one or more occasions, but at the latest until the Annual General Meeting in 2024.
- c) A maximum of 446,086 class B shares in Vitec may be acquired to secure the delivery of class B shares in accordance with sections C.–D. below.
- d) Acquisition of Vitec class B shares on Nasdaq Stockholm may only take place at a price within the price range applicable on Nasdaq Stockholm at the time, meaning the range between the highest purchase price and the lowest sale price.

The Board of Directors has issued a statement in accordance with Chapter 19, Section 22 of the Swedish Companies Act.

C. Resolution on transfers of acquired own class B shares to participants in ESSP 2023

The Board of Directors proposes that the Annual General Meeting resolves on that transfers of acquired own class B shares in Vitec may take place on the following conditions.

- a) A maximum of 390,000 class B shares in Vitec may be transferred to participants in ESSP 2023.
- b) The transfer of class B shares to participants in ESSP 2023 shall be free of charge and be made at the time specified in the terms and conditions of ESSP 2023.
- c) The right to acquire class B shares in Vitec free of charge shall, with deviation from the shareholders' preferential rights, be granted to persons within the Vitec group participating in ESSP 2023. Furthermore, subsidiaries of Vitec shall, with deviation from the shareholders' preferential rights, have the right to acquire class B shares in Vitec free of charge, whereby such subsidiary shall be obliged, in accordance with the terms of ESSP 2023, to immediately transfer the class B shares to persons within the Vitec group participating in ESSP 2023.
- d) The number of class B shares in Vitec that may be transferred under ESSP 2023 will be recalculated as a result of any bonus issue, split, rights issue and/or other similar corporate action in such manner as the Board deems appropriate to obtain a reasonable result.

A maximum of 390,000 class B shares acquired in accordance with point B. above may be transferred. Together with the number of class B shares that may

be transferred under point D. below, a maximum of 446,086 class B shares may be transferred under ESSP 2023.

D. Resolution authorizing the Board to transfer own class B shares to secure payment of social security contributions and occupational pension

In order to enable the transfer of own class B shares to hedge costs, including social security contributions and occupational pension related to ESSP 2023, the Board proposes that the Annual General Meeting resolves to authorize the Board to transfer own class B shares in Vitec on the following terms.

- a) Transfer of class B shares may only take place at Nasdaq Stockholm at a price within the price range applicable from time to time, meaning the range between the highest purchase price and the lowest sale price.
- b) Transfer may be made with the number of class B shares required for Vitec to cover costs, including social security contributions related to ESSP 2023, with a maximum of 56,086 class B shares.
- c) Class B shares may also be transferred outside Nasdaq Stockholm to a bank or other financial institution, with deviation from the shareholders' preferential rights. Such transfer may be made at a price corresponding to the stock exchange price at the time of the transfer of the class B shares transferred, with such fair market deviation that the Board deems appropriate.
- d) The authorization may be exercised on one or more occasions, but at the latest until the Annual General Meeting in 2024.
- e) The number of class B shares transferred to hedge costs related to ESSP 2023 may be subject to recalculation as a result of a bonus issue, stock split and/or reverse stock split, rights issues or similar events affecting the number of class B shares in Vitec.

A maximum of 56,086 class B shares acquired in accordance with point B. above may be transferred. Together with the number of class B shares that may be transferred under point C. above, a maximum of 446,086 class B shares may be transferred under ESSP 2023.

E. Resolution on entering into a share swap agreement with a third party

In the event that the required majority for sections B.–D. above is not reached, the Board proposes that the Annual General Meeting resolves that the financial exposure relating to ESSP 2023 may be hedged by Vitec entering into a share swap agreement with a third party on market terms, whereby the third party may in its own name acquire and transfer class B shares in Vitec to Employees who participate in ESSP 2023.

6. Scope of the program, effects on key figures, dilution and costs

- 6.1 ESSP 2023 is expected to comprise no more than 446,086 class B shares which corresponds to approximately 1.20 percent of the total number of outstanding class A and B shares in Vitec. Granted but not yet exercised assignable rights to class B shares under previous long-term incentive programs totals approximately 1.87 percent

of the total number of outstanding class B shares in Vitec. The impact on key ratios of the Company's incentive programs is only marginal. Information about other long-term incentive programs in Vitec may be found in the Company's annual report 2022, note 4, the Company's remuneration report, and on the Company's website: [Investors & Press \(vitecsoftware.com\)](https://www.vitecsoftware.com).

- 6.2 ESSP 2023 will result in the value of the Matching Shares being reported as personnel costs in the income statement during the Lock-in Period in accordance with IFRS 2 Share-related compensation. Social security contributions will be expensed in the income statement according to UFR 7 during the Lock-in Period. The size of these costs will be calculated based on the Company's share price development during the Savings- and Holding Period and the allocation of Matching Shares. Based on the assumption that (i) the share price value at the time of acquisition is SEK 500, (ii) that a maximum allocation of Matching Shares takes place, (iii) that staff turnover is zero percent per year, and (iv) that all participants make an investment up to the maximum amount and retain their entire holding for the duration of the program, the total cost is estimated to amount to approximately SEK 195 million excluding social security contributions. The net costs for outgoing social security contributions and occupational pension, assuming (i) a share price of SEK 500 at the time of purchase of shares for the hedging arrangement described in D. above, and (ii) a share price increase of 0 percent during the duration of the program, are estimated to amount to a maximum of approximately SEK 28 million.
- 6.3 Under the same assumption of a share price at the time of acquisition of SEK 500, an average participation of approximately 41 percent, an investment level of approximately 50 percent, a personnel turnover of 10 percent per year and a share price development of approximately 10 percent per year, the cost is estimated to amount to approximately SEK 31 million excluding social security contributions. Net costs for social security contributions and occupational pensions are estimated, with the same assumptions, to amount to approximately SEK 6 million.
- 6.4 The costs should be seen in relation to the Company's total costs for wages and benefits, which for the last reported twelve-month period ending 31 December 2022 amounted to SEK 942.8 million including social security contributions. Administrative costs for ESSP 2023 have been estimated at a maximum of SEK 1.5 million. Based on the above assumptions, the costs of ESSP 2023, including social security contributions, amount to approximately 4 percent of the Company's total costs for wages and benefits for the last reported twelve-month period. The maximum 56,086 class B shares which can primarily be transferred on Nasdaq Stockholm to cover social security contributions, does not have a dilutive effect on earnings per share, as these are transferred at the prevailing market price.

7. Terms and conditions

The decision of the Annual General Meeting on ESSP 2023 under section A. above is conditional upon the Annual General Meeting either deciding in accordance with the Board's proposal under sections B.–D. above or in accordance with the Board's proposal under section E. above.

8. Majority rules

A majority of more than half of the votes cast at the meeting shall be required for a resolution of the meeting in accordance with the proposal of the Board of Directors as set out in section A. above. The resolution of the Meeting in accordance with the proposal of the Board of Directors under sections B.–D. above requires the support of shareholders holding at least nine tenths of both the votes cast and the shares represented at the Meeting. For a valid resolution in accordance with the proposal of the Board of Directors under section E. above, a majority of more than half of the votes cast at the meeting is required.

9. Reason for the deviation from the shareholders' preferential rights

Transfers of class B shares in Vitec are a step towards achieving the proposed ESSP 2023. Therefore, and in light of the above, the Board considers it to be beneficial for Vitec and the shareholders that the participants in ESSP 2023 are offered the opportunity to become shareholders in Vitec.