

The Board of Directors' proposal regarding long-term share savings plan, as well as authorization on acquisition and transfer of class B shares under the program

Background and motivation

In 2023, Vitec Software Group AB (publ) (the “**Company**” or “**Vitec**” and together with its subsidiaries the “**Group**”) launched an Employee Share Savings Plan (“**ESSP 2023**”) for employees within the Group to offer the employees an opportunity to become long-term shareholders in the Company. The aim was to increase the employees’ commitment and exposure to the Company's share in the longer term by offering an easy and attractive way to invest in the Company. In total, approximately 35% of employees became shareholders of the Company through the ESSP 2023. In Sweden, approximately 44% of the employees chose to participate in the ESSP 2023.

The Board of Directors proposes that the Annual General Meeting resolves to implement a new plan period for the Employee Share Savings Plan for current and future employees (“**Employees**”) within the Group (Employee Share Savings Plan, “**ESSP 2024**”). Furthermore, the Board of Directors proposes that the Annual General Meeting resolves to implement an alternative performance-based Employee Share Savings Plan for the top management in the Group (Performance Employee Share Savings Plan, “**Performance ESSP 2024**”). The purpose of the Performance ESSP 2024 is to offer Vitec executives an incentive which has a potential higher upside in the form of performance-based matching shares while adding a degree of risk-taking (participants are not guaranteed to receive Matching Shares). The Board believes that Performance ESSP 2024 will aid in the retention and attraction of key personnel while strengthening the alignment of the participant’s interests with shareholders.

To manage the total cost of ESSP 2024 and Performance ESSP 2024, the Board has introduced a cap on the total number of shares in the plans. The total number of shares cannot exceed one percent of the total number of shares outstanding i.e. 348 855 including hedging for social costs. In the event that the cap is reached, participants’ investments will be reduced proportionally.

ESSP 2024 and Performance ESSP 2024 overview

ESSP 2024 is proposed to address current and future Employees within the 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 2027 (“**Holding Period**”). The maximum savings amount will be differentiated with respect to the Employee’s role within the 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 during the entire Holding Period (“**Matching Shares**”).

Participants in category A-C below (“**Top Management**”) have the possibility to choose to participate in Performance ESSP 2024 instead of ESSP 2024. It is not possible to participate in both ESSP 2024 and Performance ESSP 2024. Through Performance ESSP 2024, Top Management has the possibility to receive more Matching Shares compared to ESSP 2024 provided that certain performance criteria are fulfilled. Participation in the Performance ESSP 2024 entails a higher risk for the Top Management (as there is no guaranteed Matching Share) but also the possibility of a larger allocation of Matching Shares. In addition to the aforementioned performance criteria, mainly the same conditions apply for Performance ESSP 2024 as for ESSP 2024.

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 2024) in accordance with the conditions set out in section A. below and a long-term performance-based share savings plan (Performance ESSP 2024) in accordance with the conditions set out in section B 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 2024 and Performance ESSP 2024, and ii) transferred to secure thereto connected costs for social security contributions in accordance with the conditions set out in sections C.–E. below; and
- (iii) in the event that the required majority according to sections C.–E. below cannot be reached that Vitec may enter into share swap agreements with third parties in accordance with the conditions in section F. below.

A. Decision on long-term share savings plan (ESSP 2024)

- a) ESSP 2024 is addressed to Employees of the Group, which currently consists of approximately 1,500 employees.

- b) ESSP 2024 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 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 2024 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 2024 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 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 54 persons: 300,000
 - Category D – not more than 140 persons: 200,000
 - Category E – not more than 1,500 persons: 100,000
- e) Employees may only participate in the ESSP 2024 if they invest for a minimum of SEK 500 monthly during the Savings Period and do not choose to participate in Performance ESSP 2024 in accordance with paragraph B below.
- 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 Group until the end of the Holding Period and that the Employee has retained Savings Shares acquired under the ESSP 2024 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) Any dividends paid on the Employee's Savings Shares during the Holding Period will be reinvested to purchase additional Savings Shares under the ESSP 2024.
- k) The Board shall be entitled to determine the detailed terms and conditions of ESSP 2024 within the framework of the main terms and conditions of ESSP 2024 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.
- l) If there are significant changes in the 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 2024 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 2024 or for ESSP 2024 participants operating within a particular business unit or jurisdiction.
- m) Participation in ESSP 2024 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.
- n) 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.
- o) Matching Shares may not, however, be allocated during any such period when trading in the Company's shares is forbidden in accordance with the Regulation (EU) No 596/2014 or any other equivalent legislation which applies at any given time.

- p) Future Employees may be offered to participate in ESSP 2024, but no later than 30 September 2024. Additional Participants will be allotted Matching Shares no earlier than three (3) years after the Employee entered into an agreement to join ESSP 2024.
- B. *Decision on long-term performance-based share savings plan (Performance ESSP 2024)*
- a) Performance ESSP 2024 is addressed to Top Management of the Group, which currently consists of approximately 70 employees.
- b) Performance ESSP 2024 means that Top Management 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 Group, or from a designated third party, an allotment of Vitec class B shares free of charge. For every Savings Share, Employees participating in Performance ESSP 2024 will have the opportunity, after the Holding Period to receive an allocation of up to four Vitec class B share (Matching Share) provided that the performance criterion is fulfilled. The number of Matching Shares allocated per Saving Share depends on the fulfilment of the performance criterion. The performance criterion is the Compounded Annual Growth Rate of Vitec Group's Earnings Per Share ("CAGR EPS") over the three-year performance period 2024–2026. Threshold and maximum levels will be established by the Board at grant. If the threshold level is not met, no Matching Shares will vest. If the threshold level is met, one matching share will vest. If the maximum level is met, four Matching Shares will vest. For target achievement between the threshold and maximum level, the vesting outcome will be measured linearly. The threshold and maximum target levels are not disclosed as considered commercially sensitive. Full details of the target levels resolved by the Board in 2024 and the actual outcome will be fully disclosed in the annual report for 2026.
- c) The maximum amount that each Employee participating in Performance ESSP 2024 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 three different categories:
- Category A – Group CEO
- Category B – Group Management
- Category C – Business Unit Managers
- 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 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 54 persons: 300,000

- e) Top Management may only participate in the Performance ESSP 2024 if they invest for a minimum of SEK 500 monthly during the Savings Period and do not choose to participate in ESSP 2024 in accordance with paragraph A above.
- 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. The number of Matching Shares allocated per Saving Share depends on the fulfilment of the performance criterion.
- 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 Group until the end of the Holding Period and that the Employee has retained Savings Shares acquired under the Performance ESSP 2024 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) Any dividends paid on the Employee's Savings Shares during the Holding Period will be reinvested to purchase additional Savings Shares under the Performance ESSP 2024.
- k) The Board shall be entitled to determine the detailed terms and conditions of Performance ESSP 2024 within the framework of the main terms and conditions of Performance ESSP 2024 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.
- l) If there are significant changes in the Group or in the market that, in the Board's opinion, would make the terms and conditions for the allocation of Matching Shares under Performance ESSP 2024 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 Performance ESSP 2024 or for Performance ESSP 2024 participants operating within a particular business unit or jurisdiction.

- m) Participation in Performance ESSP 2024 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.
- n) 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.
- o) Matching Shares may not, however, be allocated during any such period when trading in the Company's shares is forbidden in accordance with the Regulation (EU) No 596/2014 or any other equivalent legislation which applies at any given time.
- p) Future Top Management may be offered to participate in ESSP 2024, but no later than 30 September 2024. Additional Participants will be allotted Matching Shares no earlier than three (3) years after the Employee entered into an agreement to join ESSP 2024.

C. *Resolution on 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 2024 and Performance ESSP 2024, and ii) secure thereto connected costs for social security contributions, in accordance with sections D.–E. 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 2025.
- c) A maximum of 348,855 class B shares in Vitec may be acquired to secure the delivery of class B shares in accordance with sections D.–E. 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.

D. *Resolution on transfers of acquired own class B shares to participants in ESSP 2024 and Performance ESSP 2024*

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 303,353 class B shares in Vitec may be transferred to participants in ESSP 2024 and Performance ESSP 2024.
- b) The transfer of Class B shares to participants requires that the participant fulfils the conditions for receiving Class B shares.
- c) The transfer of class B shares to participants in ESSP 2024 and Performance ESSP 2024 shall be free of charge and be made at the time specified in the terms and conditions of ESSP 2024 and Performance ESSP 2024.
- d) 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 Group participating in ESSP 2024 or Performance ESSP 2024. 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 2024 and Performance ESSP 2024, to immediately transfer the class B shares to persons within the Group participating in ESSP 2024 or Performance ESSP 2024.
- e) The number of class B shares in Vitec that may be transferred under ESSP 2024 and Performance ESSP 2024 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 303,353 class B shares acquired in accordance with point C. above may be transferred. Together with the number of class B shares that may be transferred under point E. below, a maximum of 348,855 class B shares may be transferred under ESSP 2024 and Performance ESSP 2024.

E. *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 2024 and Performance ESSP 2024, 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 2024 and Performance ESSP 2024, with a maximum of 45,502 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 2025.
- e) The number of class B shares transferred to hedge costs related to ESSP 2024 and Performance ESSP 2024 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 45,502 class B shares acquired in accordance with point C. above may be transferred. Together with the number of class B shares that may be transferred under point D. above, a maximum of 348,855 class B shares may be transferred under ESSP 2024 and Performance ESSP 2024.

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

In the event that the required majority for sections C.–E. above is not reached, the Board proposes that the Annual General Meeting resolves that the financial exposure relating to ESSP 2024 and Performance ESSP 2024 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 2024 or Performance ESSP 2024.

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

ESSP 2024 and Performance ESSP 2024 is expected to comprise no more than 348,855 class B shares in total which corresponds to approximately 0.9 percent of the total number of shares in the Company and approximately 0.6 percent of the total number of votes in the Company. The total number of shares cannot exceed one percent of the total number of shares outstanding i.e. 348 855 including hedging for social costs. In the event that the cap is reached, participants' investments will be reduced proportionally. Granted but not yet exercised assignable rights to class B shares under previous long-term incentive programs totals approximately 1.2 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 2023, note 4, the Company's remuneration report, and on the Company's website: [Investors & Press \(vitecsoftware.com\)](https://investors.vitecsoftware.com).

ESSP 2024 and Performance ESSP 2024 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 547.50, (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 165 million excluding social security contributions. The net costs for outgoing social security contributions and occupational pension, assuming (i) a share price of SEK 547.50 at the time of purchase of shares for the hedging arrangement described in E. 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 26 million.

Under the same assumption of a share price at the time of acquisition of SEK 547.50, an average participation of approximately 38 percent, an investment level of approximately 47 percent and a personnel turnover of 10 percent during the plan period, the cost is estimated to amount to approximately SEK 63 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 9 million.

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 2023 amounted to SEK 1 200 million including social security contributions. Administrative costs for ESSP 2024 and Performance ESSP 2024 have been estimated at a maximum of SEK 4 million. Based on the above assumptions, the costs of ESSP 2024 and Performance ESSP 2024, including social security contributions, amount to approximately 6 percent of the Company's total costs for wages and benefits for the last reported twelve-month period. The maximum 45,502 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.

Terms and conditions

The decision of the Annual General Meeting on ESSP 2024 under section A. above and on Performance ESSP 2024 under section B. above is conditional upon the Annual General Meeting either deciding in accordance with the Board's proposal under sections C.–E. above or in accordance with the Board's proposal under section F. above.

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-B. above. The resolution of the Meeting in accordance with the proposal of the Board of Directors under sections C.-D. above requires the support of shareholders holding at least nine tenths of both the votes cast and the shares represented at the Meeting. The resolution of the Meeting in accordance with the proposal of the Board of Directors under section E. above requires the support of shareholders holding at least two-thirds 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 F. above, a majority of more than half of the votes cast at the meeting is required.

Reason for the deviation from the shareholders' preferential rights

Transfers of class B shares in Vitec are a step towards achieving the proposed ESSP 2024 and Performance ESSP 2024. Therefore, and in light of the above, the Board considers it to be beneficial for Vitec and the shareholders that the participants in ESSP 2024 and Performance ESSP 2024 are offered the opportunity to become shareholders in Vitec.