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The board of directors' proposal for resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) authorization on directed issues of series C shares; (C) authorization on repurchase of series C shares; and (D) resolution on transfer of own ordinary shares

The board of directors of Pierce Group AB (publ) (the "**Company**") proposes that the Annual General Meeting on 17 May 2024 resolves to implement a long-term incentive program in the form of a performance-based share program (the "**LTI 2024**") for the Company's CEO, other members of the Executive Management team and key employees in accordance with A below. The resolution is conditional upon the Annual General Meeting also resolving on hedging measures in accordance with B – D below.

A. Implementation of a performance-based share program

Background

At the Annual General Meeting held on 16 May 2023 it was resolved to implement a long-term incentive program in the form of a performance-based share program (LTI 2023). As noted in connection with the proposal for LTI 2023, the long-term incentive program was intended to be repeated annually after evaluation of the board of directors. The board of directors has now evaluated LTI 2023 and found that it has worked well and has hence resolved to propose a similar program this year.

The overall purpose of LTI 2024 is to align the interests of the Company's senior executives and key employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2024 is also considered to create a long-term focus on increase in growth and earnings among the participants. LTI 2024 is further considered to facilitate for the Company to recruit and retain senior executives and key employees.

Terms and conditions for LTI 2024

1. In total, LTI 2024 is proposed to comprise approximately 31 participants composed of senior executives and key employees, divided into three categories. Provided that the performance targets mentioned below are met or exceeded, participants in LTI 2024 shall be given the opportunity to receive ordinary shares in the Company free-of-charge ("**Performance Shares**").
2. The total number of Performance Shares shall not exceed 1,025,000.
3. The maximum number of Performance Shares that can be allotted to the participants in the respective category shall not exceed the numbers set out in the table below:

| Category | Maximum number of Performance Shares per participant |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| CEO | 175,000 |
| Other members of the Executive Management team (5 persons) | 380,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 100,000 Performance Shares. |
| Key employees (approximately 25 persons) | 470,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 30,000 Performance Shares. |

The board of directors shall, within the maximum number stated above, resolve on the maximum number of Performance Shares that each individual participant in the respective category may be allotted.

4. A condition for the right to receive Performance Shares is that the participant has continued to be employed by the Company until 17 May 2027. However, in case a participant's employment ceases due to death, early retirement or similar occasions or due to termination by the Company that is not related to misconduct by the participant prior to 17 May 2027 but after 17 May 2025, such participant shall be entitled to receive a portion of the Performance Shares. This partial vesting shall mean that for each month after 17 May 2025 that the participant has continued to be employed, the participant shall be entitled to receive 1/24 of the aggregate number of Performance Shares that the participant would have been entitled to receive if the participant would had continued to be employed until 17 May 2027. For the sake of clarity, any allotment to a participant that ceases to be employed prior to 17 May 2027 will only occur when allotment of Performance Shares is made to the other participants and subject to the fulfilment of the Performance Targets.

5. The performance targets (the "**Performance Targets**") that must be met or exceeded relate to (i) the Company's organic revenue growth (the "**Revenue Growth Target**"); (ii) the Company's Adjusted EBIT (the "**EBIT Target**"); (iii) the Company's Net Promoter Score (the "**NPS Target**"); and (iv) the share price development of the Company's shares (the "**Share Price Target**"). The number of Performance Shares allocated to each participant in relation to each Performance Target shall be weighted with 30 per cent to the Revenue Growth Target, with 50 per cent to the EBIT Target, with 10 per cent to the NPS Target and with 10 per cent to the Share Price Target.

For each of the Performance Targets except for the Share Price Target, there will be a minimum level, a target level and a maximum level. If the minimum level is not achieved, no Performance Shares are vested in relation to the relevant Performance Target; if the minimum level is achieved, 33.3 per cent of the Performance Shares pertaining to the relevant Performance Target are vested; if the target level is achieved, 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target are vested; and if the maximum level is achieved, all the Performance Shares pertaining to the relevant Performance Target will be vested. In the event of an outcome between the minimum level and the target level or between the target level and the maximum level, respectively, vesting of the Performance Shares pertaining to the relevant Performance

Target will occur linearly between 33.3 per cent and 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target and between 66.7 per cent and 100 per cent of the Performance Shares pertaining to the relevant Performance Target, respectively.

For the Share Price Target, there will only be a target level. If the target level is achieved, all Performance Shares pertaining to the Share Price Target are vested and if the target level is not achieved, no Performance Shares pertaining to the Share Price Target will be vested.

The Revenue Growth Target relates to the Company's compounded annual organic growth rate ("**CAGR**") during the financial years 2024, 2025 and 2026. CAGR will be calculated as ((net revenue for the financial year 2026 (reduced with any non-organic net revenue generated through businesses acquired during the financial years 2024-2026) / net revenue in financial year 2023)^{1/3} - 1). The minimum level for the Revenue Growth Target will be a CAGR of 2.0 per cent, the target level for the Revenue Growth Target will be a CAGR of 5.0 per cent and the maximum level for the Revenue Growth Target will be a CAGR of 8.0 per cent.

The EBIT Target relates to the Company's Adjusted EBIT (the profit/loss before interest and tax adjusted for share-based payments related to employees and items affecting comparability) ("**Adjusted EBIT**") in the financial year 2026. The minimum level for the EBIT Target will be an Adjusted EBIT of MSEK 65, the target level for the EBIT Target will be an Adjusted EBIT of MSEK 89 and the maximum level for the EBIT Target will be an Adjusted EBIT of MSEK 116.

The NPS Target relates to the Company's Net Promoter Score in the fourth quarter of the financial year 2026 ("NPS"). The minimum level for the NPS Target will be an NPS of 64, the target level for the NPS Target will be an NPS of 68 and the maximum level for the NPS Target will be an NPS of 72. The levels for the NPS Target have been determined based on that the industry average NPS for E-commerce is 62 (<https://www.retently.com/blog/good-net-promoter-score/>). An NPS above 60 has a positive impact on the re-buy rate of customers and this has formed the basis when determining the minimum level for the NPS Target to 64.

The Share Price Target relates to the development of the Company's share price over the period from the date of the Annual General Meeting 2024 to 17 May 2027. The share price development will be measured based on the volume-weighted average share price 30 trading days immediately following the Annual General Meeting 2024 and 30 trading days immediately preceding 17 May 2027. The target level for the Share Price Target will be an increase in the share price of 26 per cent.

The final number of Performance Shares vested by each participant shall be rounded downwards to the nearest whole number.

6. In addition to the achievement of the Performance Targets, the allocation of Performance Shares shall be conditional upon the Adjusted EBIT in the financial year 2026 amounting to at least MSEK 35. If this threshold level for the Adjusted EBIT is not met, no Performance Shares shall be allotted in LTI 2024.

7. Before the number of Performance Shares to be allocated is finally determined, the board of directors shall also make a general evaluation if allocation pursuant to the principles set out above is reasonable, having regard to the Company's results and financial standing, to conditions on the stock market and to other circumstances in general. If the board of directors finds that it is not reasonable, then the board of directors may decrease the number of Performance Shares to be allocated to the lower number of shares that the board of directors finds reasonable.
8. The number of Performance Shares and/or the Performance Targets (as applicable) shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar company actions. Furthermore, if material changes occur in the Company or in its business environment that would result in that the decided Performance Targets or the other terms for LTI 2024 are no longer appropriate, the board of directors shall be entitled to make such adjustments of the Performance Targets and the other terms for LTI 2024 as are necessary to receive a reasonable outcome.
9. Allotment and transfer of Performance Shares to the participants shall take place within 30 days after 17 May 2027. To the extent applicable insider rules would prevent transfer of Performance Shares to a participant within this period, the transfer of Performance Shares shall instead be made as soon as such restrictions have ceased to apply.
10. For the CEO and other members of the Executive Management team, allotment of Performance Shares will be conditional upon that the participants, subject to certain customary exceptions, undertake not to divest a certain percentage of the allotted Performance Shares during a period of 12 months following the delivery of the Performance Shares. The number of Performance Shares subject to the restriction shall as a starting point amount to 50 per cent of the allotted Performance Shares but for participants where the taxation (margin tax rate) triggered by the delivery of Performance Shares exceed 50 per cent, the percentage shall instead be calculated as $100 - \text{the applicable tax rate}$.
11. Participation in LTI 2024 is conditional upon that the participation is legally possible and that the participation in the Company's sole opinion can be made with reasonable administrative costs for the Company.
12. The board of directors shall be responsible for the details and management of LTI 2024 within the framework of the main conditions as set out above, and the board of directors shall be authorized to make minor adjustments to these conditions as required by law or for administrative reasons. The board of directors shall also be authorized to adjust or deviate from the terms and conditions as required by local laws and regulations as well as existing market practices, and/or offer cash settlement for participants outside Sweden to the extent delivery of Performance Shares to such participants cannot be made at reasonable costs and administrative actions. Furthermore, in the event of a public take-over offer, a sale of the Company's business, liquidation, merger or any other such transaction affecting the Company, the board of directors shall be entitled to resolve that the Performance Shares (partially or in full) shall vest and be allotted on completion of such transaction. The board of directors will make this resolution based on the level of achievement of the Performance Targets and

any other factors deemed relevant by the board of directors. Finally, the board of directors is also entitled to adjust vesting and allotment if such has been made based on information which later proves to be incorrect.

B. Authorization on directed issues of series C shares

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to issue a maximum of 1,025,000 series C shares. The new shares may, with deviation from the shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to secure delivery of Performance Shares under LTI 2024, which shall be effected through the Company repurchasing the series C shares issued pursuant to the authorization in C below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to the participants in LTI 2024 in accordance with D below.

C. Authorization on repurchase of series C shares

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares and shall comprise all outstanding series C shares. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (*Sw. Betald Tecknad Aktie (BTA)*), regarding a series C share. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares under LTI 2024.

The board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (*Sw. aktieföretagslagen*) is presented in a separate document provided with this proposal.

D. Resolution on transfer of own ordinary shares

In order to fulfil the Company's obligations towards participants in LTI 2024, the board of directors proposes that the Annual General Meeting resolves that the Company shall transfer own ordinary shares as follows:

1. The Company shall have the right to transfer the number of ordinary shares that the Company has a maximum obligation to allocate as Performance Shares to participants in LTI 2024, at most 1,025,000 shares.
2. The ordinary shares that can be transferred in accordance with paragraph 1 above may consist of either shares newly issued and repurchased in accordance with B – C above, issued and repurchased in connection with other corresponding LTI programs, but which are no longer required for the performance of the Company's commitments under such programs, or repurchased by the Company under other future repurchase authorizations.

3. The number of shares that may be transferred pursuant to LTI 2024 shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar corporate action which affects the number of shares in the Company.
4. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in LTI 2024 who are entitled to be allotted Performance Shares in accordance with the terms and conditions of the program.
5. Transfer of shares to participants in LTI 2024 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2024.

The reason for the deviation from the shareholders' preferential rights in connection with the transfers of own ordinary shares is to enable the Company's delivery of Performance Shares to participants in LTI 2024.

Costs, impact on key ratios, existing incentive programs and dilution

LTI 2024 will be accounted for in accordance with IFRS 2 which stipulates that the right to receive Performance Shares shall be expensed as a personnel cost over the vesting period.

The board of directors has made a preliminary cost calculation for LTI 2024, which is based on the assumption of a share price of SEK 7.80 at the start of the program. The IFRS 2 costs for the Performance Shares related to the Performance Targets have been estimated to SEK 7.42 per Performance Share. If the Company estimates an employee turnover of 0 per cent until shares are received approximately three years later, and excludes future dividends of the Company's share, the total costs for LTI 2024 including costs for social security contributions, are estimated to be approximately SEK 10.5 million, provided that all the Performance Targets are met in full.

Based on the calculation of the total cost as per the above, the anticipated annual costs, including costs for social security contributions, is approximately SEK 3.5 million, which corresponds to approximately 1.7 per cent of the Company's total employee costs for the financial year 2023. Based on the calculation of the annual costs and the dilution calculated as per the below, the key figure earnings per share for the full year 2023 had been changed from SEK -1.21 to SEK -1.25 had the Company expensed 1/3 of the total costs for LTI 2024 in 2023.

As of the date of this notice, the number of shares in the Company amounts to 80,324,100, whereof 79,374,100 are ordinary shares and 950,000 are series C shares which were issued in connection with LTI 2023 and that will be converted into ordinary shares prior to delivery to participants.

The maximum number of Performance Shares that can be issued in relation to LTI 2024 amounts to 1,025,000, which corresponds to a dilution of approximately 1.27 per cent of the Company's ordinary shares, calculated on the number of ordinary shares that will be added upon full issuance of Performance Shares in connection with LTI 2024.

Since previously, there are two incentive programs outstanding in the Company in the form of one warrant program and one performance-based share program (LTI 2023). Based on current participation, the existing incentive programs can lead to that in the aggregate 1,337,736 new

ordinary shares are issued. In case all outstanding incentive programs as well as the proposed LTI 2024 are exercised in full, a total of 2,362,736 new ordinary shares will be issued, which corresponds to a dilution of approximately 2.89 per cent of the Company's ordinary shares, calculated on the number of ordinary shares that will be added upon full exercise of all outstanding incentive programs as well as the proposed LTI 2024.

The above calculations regarding dilution and impact on key ratios are subject to re-calculation in accordance with the customary recalculation terms included in the complete applicable terms of the programs.

Preparation of the proposal

The proposal for LTI 2024 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

Majority requirement

The board of directors' proposal on implementation of a long-term incentive program in accordance with A to D above constitutes an overall proposal which shall be resolved upon as one resolution. The resolution is subject to the provisions in Chapter 16 of the Swedish Companies Act (*Sw. aktiebolagslag 2005:551*)), and a valid resolution hence requires that the proposal is supported by shareholders with at least nine-tenths of the votes cast as well as of all shares represented at the Annual General Meeting.

The Chairman of the board of directors, or anyone appointed by him, shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*) or Euroclear Sweden AB.

Stockholm in April 2024
The Board in Pierce Group AB (publ)