THE BOARD'S PROPOSAL TO ISSUE WARRANTS (INCENTIVE PROGRAMME) IN GS SWEDEN AB (PUBL)

The board of directors of GS Sweden AB (publ) (the "**Company**") proposes that the general meeting resolves on an incentive programme through issuance of warrants as set forth below. The warrants shall entitle to subscription of new shares in the Company.

Background

The proposal to launch an incentive programme by the issuance of warrants is presented by the board of directors of the Company in order to strengthen the retention of employees with the company group and to motivate the employees to create shareholder value. The board of directors assess that these objectives are in line with all shareholders' interests. The programme encompasses all employees employed in the Danish (GomSpace ApS) and the Swedish (NanoSpace AB) subsidiaries of the Company (jointly referred to as the "**Group Companies**" and together with the Company, the "**Group**"), including the senior management, as of 27 April 2017 (the "**Participants**"). Board members of the Company will not be allowed to participate. The incentive programme will include approximately 100 Participants in total.

Terms and conditions for the issue of warrants

1. The Company shall issue not more than 317,844 warrants. Each warrant entitles to subscription of one (1) new share in the Company, each with a quotient value of SEK 0.07. If all issued warrants are subscribed for by the Group Companies, transferred to and exercised by the Participants for subscription of new shares, the Company's share capital will increase with SEK 22,249.08 (subject to potential recalculations in accordance with the terms and conditions set forth in Schedule A).

2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by the Group Companies, both wholly-owned subsidiaries of the Company, after which the Group Companies are to transfer the warrants to the Participants in accordance with the resolution adopted by the general meeting and instructions from the board of directors of the Company. The Group Companies shall be entitled to subscribe for warrants as follows:

Subscriber	**Maximum number of warrants**
GomSpace ApS	259,888
NanoSpace AB	57,956
Total	**317,844**

3. Subscription of warrants shall be made by the Group Companies on a subscription list immediately following the general meeting's issue resolution. The board of directors

shall be entitled to prolong the subscription period.

4. The amount to be paid by the Group Companies for each warrant shall correspond to the theoretical market value of the warrants, calculated by an independent valuation agent engaged by the Company by use of the Black & Scholes valuation model as appended hereto. The period of measurement for such calculation shall be from and including 20 April 2017 until and including 26 April 2017. Payment is to be made in connection with subscription of warrants. The board of directors shall be entitled to prolong the time period for payment.

5. The warrants may be exercised for subscription of new shares during the period from and including 27 April 2020 until and including 27 April 2021. Warrants that have not been exercised for subscription of shares by 27 April 2021 shall lapse.

6. Each warrant shall entitle the warrant holder to subscribe for one new share in the Company at a subscription price per share (the "**Exercise Price**") corresponding to 100% of the volume weighted average last closing price for the Company's share on Nasdaq First North Premier during the period from and including 20 April 2017 until and including 26 April 2017. The Exercise Price thus calculated shall be rounded off to the nearest whole SEK 0.10, whereupon SEK 0.5 shall be rounded upwards. The Exercise Price may never be below the quotient value of the shares.

7. The warrants subscribed for by the Group Companies shall be transferred to the Participants in accordance with instructions from the board of directors of the Company and the principles set forth below.

8. The warrants shall also be subject to the terms and conditions, inter alia containing customary recalculation conditions, set forth in Schedule A.

Allocation and vesting principles to be applied in relation to Participants

Due to differences in local law, and in order to avoid social security costs for the Group, the incentive programme is to be implemented differently depending on jurisdiction of the Group Company and the Participants. This mainly entails that the Swedish but not the Danish Participants are to pay a premium for the warrants and that the allocation and vesting model will be structured differently. The following allocation and vesting principles shall be applied in relation to the Participants.

1. The transfer of warrants from the Danish subsidiary to the Danish Participants shall be made without consideration. The transfer of warrants from the Swedish subsidiary to the Swedish Participants shall be made against payment of a premium corresponding to the theoretical market value of the warrants as of the date of transfer, calculated by an independent valuation agent engaged by the Company by use of the Black & Scholes valuation model.

2. All employees of the Group Companies as of 27 April 2017, including the senior management, shall be eligible for participation in the incentive programme and may thus be allocated warrants as set forth below. No performance criteria will apply.

3. Each Participant may be allocated a total number of warrants corresponding to between 32.5% and 40.0% of the respective Participant's annual salary for 2017 (computed on a full-year basis regardless of the time of employment in 2017), divided by the Exercise Price. Senior management may be allocated up to 40% regardless of time of employment in the Group. The maximum allocation to the rest of the Participants is to be based on time of employment in the Group at the time of the introduction of the programme and in accordance with the following: (i) less than three-month seniority – 32.5%, (ii) three-to-six-month seniority – 35%, (iii) six-to-nine-month seniority – 37.5%, and (iv) more than nine-month seniority – 40%. No Participant will be allocated more than 18,132 warrants (based on today's salaries, an assumed exchange rate of 1 DKK = SEK 1.28, and the assumption that the Exercise Price will be SEK 59.3). Allocation is to be made in accordance with a vesting structure according to which the total number of warrants to each employee is to be vested (and for Danish participants allocated, cf. item 4 below) in four equal portions on every 27 April in the years 2017 to 2020 (*i.e.* 25% of the total number of warrants will be vested each year) and conditional upon continued employment (including applicable notice period), subject to the terms and conditions of a separate warrant agreement to be entered into between each Participant and the relevant Group Company. For example, a Participant with a 3-month notice period who terminates his or her employment on 1 February 2018 will be under notice until 1 May 2018 and will be allowed to keep warrants vested in 2017 and 2018 (*i.e.* 50% of the maximum allocation) subject to certain bad leaver provisions according to the separate warrant agreement. However, a Participant with a 3-month notice period who terminates his or her employment on 26 January 2018 will be under notice until 26 April 2018 and will in such situation only be allowed to keep warrants vested in 2017 (*i.e.* 25% of the maximum allocation) subject to the bad leaver provisions referred to above. Furthermore, if the employment is terminated by the Group Company (good leaver), this will entail that the Participant will keep already vested warrants and be entitled to an additional pro rata allocation based on the Participant's time of employment (including applicable notice period) in the relevant vesting year subject to the bad leaver provisions.

4. In Denmark, the vesting model is to be implemented by only allocating the number of warrants already vested (*i.e.* maximum 25% of the total number of warrants on every 27 April in the years 2017 to 2020) with a contractual obligation for the Participant not to make use of the warrants (the right to exercise the warrants will lapse) and/or to transfer all warrants back to GomSpace ApS in the event of a bad leaver situation before the warrants have been exercised for subscription of new shares. In Sweden, the vesting model is to be implemented by a so called reversed vesting mechanism according to

which the maximum number of warrants is allocated at the time of introduction of the programme, with a contractual obligation for the Participant not to make use of warrants and/or transfer warrants back to NanoSpace AB in the event the condition on continued employment is not fulfilled at the relevant date (*i.e.* 100% allocation in 2017 with an obligation not to make use of warrants and/or transfer 75%, 50% or 25% of the warrants back if the condition on continued employment is not fulfilled on 27 April 2018, 2019 or 2020 respectively), and a contractual obligation for the Participant not to make use of the warrants and/or to transfer all warrants back to NanoSpace AB in the event of a bad leaver situation before the warrants have been exercised for subscription of new shares.

5. Allocated and vested warrants may be exercised for subscription of new shares in the Company during the period from and including 27 April 2020 until and including 27 April 2021. Subscription of new shares may however not take place during so-called closed periods according to the EU Market Abuse Regulation, or otherwise in breach of relevant insider rules and regulations (including the Company's internal guidelines in this respect).

Warrant agreement

All warrants will be governed by warrant agreements to be entered into between each Participant and the relevant Group Company in connection with the transfer of warrants from the Group Companies. In addition to the vesting structure and the bad and good leaver provisions described above, the warrant agreement will include certain transfer restrictions and other terms and conditions customary for such agreements with some differences due to requirements under local law.

Reasons for the deviation from the shareholders' preferential rights

The reasons for the deviation from the shareholders' preferential rights is that the Company wishes to offer warrants to employees of the Group Companies, including the senior management, in order to strengthen the retention of employees and to motivate them to contribute to the creation of shareholder value.

Dilution, costs, etc.

Upon full subscription, transfer and exercise of all 317,844 issued warrants, a total of 317,844 new shares will be issued in the Company (subject to potential recalculations in accordance with the terms and conditions set forth in Schedule A). This would lead to a dilution corresponding to 1.28% of the total share capital and number of votes in the Company (based on the share capital and number of shares in the Company registered as of the date of this proposal and calculated as the maximum amount of share capital and number of shares that may be issued, divided by the total share capital and the total number of shares in the Company after all warrants have been exercised).

There are no incentive programmes or equity related instruments outstanding in the Company as of today.

The incentive programme is expected to have a marginal effect on the Company's earnings per share as the total impact is estimated to SEK 0.32 in the financial years 2017 to 2020 with SEK 0.18 in the first financial year (2017) of the programme. Given that the warrants shall be transferred to the Swedish Participants at a price corresponding to the market value of the warrants, and to the Danish Participants in accordance with the conditions stipulated in 7 P of the Danish Tax Assessment Act, no particular social security costs are expected to arise for the Group in connection with the transfer of warrants to the Participants. The market value of the warrants is estimated to be SEK 30.2 per warrant, in accordance with a preliminary valuation made based on a market value on the underlying share corresponding to SEK 59.3, assuming an exercise price of SEK 59.3 per share. The Black & Scholes valuation model has been used for valuing the warrants, assuming a risk free interest of zero percent and a volatility of 70 percent.

Costs related to the warrants will be accounted for in accordance with IFRS 2. The total IFRS 2 costs for the warrants are expected to be SEK 7,851,003 during the term of the programme.

In addition, there are costs associated with the incentive programme in the form of costs for valuation, consultancy services and costs for registration and practical management of the programme.

Preparation of the proposal

This proposal has been prepared by the board of directors in the Company.

Approval of transfers of warrants from the Group Companies to Participants

A resolution to issue warrants in accordance with this proposal also includes an approval of the transfers of warrants from the Group Companies to the Participants.

Majority requirements

This proposal to adopt the incentive programme and to issue warrants, as well as the approval of the transfers of warrants from the Group Companies to the Participants, is governed by the provisions in Chapter 16 of the Swedish Companies Act (*Sw.* Aktiebolagslagen (2005:551)), and a valid resolution therefore requires that the proposal is supported by shareholders representing at least nine-tenths (9/10) of the votes cast as well as of all shares represented at the meeting.

Miscellaneous

The chairman of the board of directors, the managing director or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office.

The board of directors