THE BOARD'S PROPOSAL TO ISSUE ADDITIONAL WARRANTS UNDER THE INCENTIVE PROGRAMME IN GOMSPACE GROUP AB (PUBL)

The board of directors of GomSpace Group AB (publ) (the "**Company**") proposes that the general meeting resolves on issuance of additional warrants under the incentive programme adopted at the annual general meeting. The warrants shall entitle to subscription of new shares in the Company.

Background

At the annual general meeting held on 27 April 2017 it was resolved, in accordance with the proposal presented by the board of directors of the Company, to launch an incentive programme through the issuance of warrants.

The proposal was presented by the board of directors 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 is directed to all employees employed in the Danish (GomSpace A/S) and the Swedish (NanoSpace AB) subsidiaries of the Company, including the senior management, as of 27 April 2017 (approximately 100 employees in total). Board members of the Company are not allowed to participate.

The resolution adopted by the annual general meeting encompassed a maximum number of 317,844 warrants out of which up to 259,888 warrants were to be offered to employees in GomSpace A/S and up to 57,956 warrants were to be offered to employees in NanoSpace AB. Employees in NanoSpace AB choose not to participate in the programme as a result of which 57,956 out of the total 317,844 warrants will not be possible to make use of for subscription of new shares.

In short, according to terms and conditions of the incentive programme, each employee may be allocated a total number of warrants corresponding to between 32.5% and 40.0% of the respective employee's annual salary for 2017, divided by the exercise price of the warrants which is SEK 54.10[1].

As a result of the process not being performed correctly, the 259,888 warrants to be offered to employees in GomSpace A/S are not sufficient in order to be able to deliver warrants in accordance with the principles for maximum allocation summarized above. The board of directors of the Company has therefore decided to summon this extraordinary general meeting for the purpose of presenting a proposal to issue additional warrants under the incentive programme on the same terms and conditions as the resolution adopted at the annual general meeting.

---

[1] 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.

Terms and conditions for the issue of warrants

1. The Company shall issue not more than 142,536 warrants. Each warrant entitles to subscription of one (1) new share in the Company, each with a quotient value of SEK 0.07.

2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by the wholly-owned subsidiary GomSpace A/S (the "**Subsidiary**") after which the Subsidiary is to transfer the warrants to employees in the Subsidiary (the "**Participants**") in accordance with the resolution adopted by the general meeting and instructions from the board of directors of the Company.

3. If the maximum number of warrants are subscribed for by the Subsidiary, transferred to and exercised by the Participants for subscription of new shares in the Company, the Company's share capital will increase with SEK 9,977.52 (subject to potential recalculations in accordance with the terms and conditions set forth in Schedule A).

4. Subscription of warrants shall be made by the Subsidiary on a subscription list immediately following the general meeting's issue resolution. The board of directors shall be entitled to prolong the subscription period.

5. The amount to be paid by the Subsidiary for each warrant (i.e. the subscription price) shall be SEK 27.50[2]. 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.

6. 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.

7. Each warrant shall entitle the warrant holder to subscribe for one new share in the Company at a subscription price per share of SEK 54.10[3] (the "**Exercise Price**"). The Exercise Price may never be below the quotient value of the shares.

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

---

[2] Corresponding to the market value of the warrants, calculated by an independent valuation agent engaged by the Company by use of the Black & Scholes valuation model based on a period of measurement of the underlying share value from and including 20 April 2017 until and including 26 April 2017.

[3] 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.

9. 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

The following allocation and vesting principles shall be applied in relation to the Participants.

1. The transfer of warrants from the Subsidiary to the Participants shall be made without consideration being payable.

2. All employees of the Subsidiary 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. 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 20,116 warrants (based on today's salaries and an assumed exchange rate of 1 DKK = SEK 1.28).

4. 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 allocated 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 Subsidiary. 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 Subsidiary (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.

5. 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 the Subsidiary in the event of a bad leaver situation before the warrants have been exercised for subscription of new shares.

6. 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

Holding of warrants will be governed by warrant agreements to be entered into between each Participant and the Subsidiary in connection with the transfer of warrants from the Subsidiary. 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.

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 Subsidiary, 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 142,536 warrants according to this proposal and the 259,888 warrants subscribed for by the Subsidiary in accordance with the resolution adopted by the annual general meeting, a total of 402,424 new shares will be issued in the Company (subject to potential recalculations in accordance with the terms and conditions set forth in Schedule A which terms and conditions are the same as those applicable to the warrants issued by the annual general meeting). This would lead to a dilution corresponding to 1.51% 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 other than the warrants issued under the incentive programme adopted at the annual general meeting.

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 0.42 in the financial years 2017 to 2020 with SEK 0.23 in the first financial year (2017) of the programme (calculation based on the 259,888 warrants subscribed for by the Subsidiary in accordance with the resolution adopted by the annual general meeting and the 142,536 additional warrants proposed to be issued according to this proposal). Given that the warrants shall be transferred to the 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 company group in connection with the transfer of warrants to the Participants. The market value of the warrants is estimated to be SEK 27.4 per warrant, in accordance with a preliminary valuation made based on a market value on the underlying share corresponding to SEK 54. 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 11,039,060 during the term of the programme (calculation based on the 259,888 warrants subscribed for by the Subsidiary in accordance with the resolution adopted by the annual general meeting and the 142,536 additional warrants proposed to be issued according to this proposal).

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 Subsidiary to Participants

A resolution to issue additional warrants under the incentive programme adopted by the annual general meeting in accordance with this proposal also includes an approval of the transfers of warrants from the Subsidiary to the Participants.

Majority requirements

This proposal to issue additional warrants under the incentive programme adopted at the annual general meeting, as well as the approval of the transfers of warrants from the Subsidiary 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