# Implementation of incentive and retention program

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**As anticipated in the company IPO memorandum, the Board of Directors has today decided to implement an incentive and retention program to management and all full-time employees. The program consists of issuing of new shares and granting of warrants in the following proportions:**

* Issuing of 12,000 new shares at a nominal value of DKK 0.10 per share at price par.
* Issuing of 113,000 warrants which gives the right to a subscription of 113,000 shares in the company, at a nominal value of DKK 0.10 per share.

The purpose of the program is to maintain the employment of professional and valuable resources in the company, and to provide an incentive for them to make a special effort for the value creation of the company. The incentive and retention program involves management and all full-time employees of the company.

The warrant program will be vested over a 12 months period, starting from the issuing date. The warrants are granted as a one-time grant, and vesting will be in accordance with specification by the Board of Directors where warrant holders earn the right to exercise the warrants with 1/12 per month from the date of the issuing.

Warrants can be exercised at a price of DKK 33.75 in 2 exercise windows. One in 2022 and one in 2023. The exercise window is defined as the three-week period after the publishing of the 2021 and the 2022 annual reports.

If fully vested and exercised, the implemented program will increase the FOM Technologies share pool by 1,69 % from 7.407.412 shares to 7.532.412 shares in 2023. The implemented program may be followed by similar warrant programs, which ultimately may increase the incentive share/warrant pool to 740.741 shares (10 % of share capital) if fully vested and exercised by 2028.

The theoretical market value of a warrant granted is DKK 8.56 calculated using the Black-Scholes model. The key assumptions for the calculation are: A share price of DKK 39.00 (Nasdaq First North closing price on Thursday the 28$^{th}$ of Oct. 2020). An exercise price of DKK 33.75 (equivalent to a market cap of DKK 250 mio.) A duration of 2 years and 4 months. Volatility of 25.00 %, and an interest rate of 0.10 %.

The specific terms and condition for granting, vesting and exercise of the warrants are set out in Appendix 1 to the Company's articles of association.

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## Attachments

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