

## NOTICE OF EXTRAORDINARY GENERAL MEETING IN ASCELIA PHARMA AB

The shareholders in Ascelia Pharma AB, Reg. No. 556571-8797, are hereby invited to the extraordinary general meeting (Sw. extra bolagsstämman) to be held at the premises of Setterwalls Advokatbyrå at Stortorget 23 in Malmö on Monday 13 November 2023 at 16:30 CET.

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

### **Right to participate and notice of participation**

Shareholders wishing to attend the extraordinary general meeting must:

- be registered in the company's share register kept by Euroclear Sweden AB (the Swedish Securities Register Center) as of Friday 3 November 2023; and
- have notified their participation to the company no later than Tuesday 7 November 2023, by mail to Ascelia Pharma AB, att: Julie Waras Brogren, Hyllie Boulevard 34, SE-215 32 Malmö, Sweden, by e-mail to [jwb@ascelia.com](mailto:jwb@ascelia.com) or by phone +46 (0) 735 179 116. The notice should specify the complete name of the shareholder, personal identity number or company registration number, the number of shares held by the shareholder, address, telephone number during work hours and, when applicable, information on the number of advisors (two at the most).

### **Trustee-registered shares**

Shareholders whose shares are trustee-registered in the name of a bank or other trustee must, to be able to exercise their voting rights at the general meeting, request the trustee to register their shares in their own name with Euroclear Sweden AB (so called "voting rights registration"). Such voting rights registration must be implemented by the trustee no later than as of Tuesday 7 November 2023. Accordingly, shareholders must well in advance before this date notify their trustee of their request of such voting rights registration.

### **Proxies etc.**

Shareholders intending to participate by proxy must issue a written, signed and dated power of attorney. The validity term of the power of attorney may not be more than one year, unless a longer validity term is specifically stated in the power of attorney (however at the longest five years). If the power of attorney is issued by a legal entity, the representing proxy must also present an up-to-date certificate of registration (Sw. registreringsbevis) or equivalent document for the legal entity. In order to facilitate the entrance at the meeting, a copy of the power of attorney and other authorization documents should preferably be attached to the shareholder's

notification to participate in the general meeting. A template power of attorney is available at the company's website ([www.ascelia.com](http://www.ascelia.com)) and will be sent by mail to the shareholders who request it and state their address.

### **Proposed agenda**

0. Opening of the meeting.
1. Election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons who shall approve the minutes of the meeting.
5. Determination of whether the meeting was duly convened.
6. Resolution on (A) employee option program; and (B) directed issue of warrants and approval of transfer of warrants.
7. Closing of the meeting.

### **Proposed resolutions**

#### ***Item 1: Election of chairman of the meeting***

The board of directors proposes that lawyer Ola Grahn is elected as chairman of the extraordinary general meeting.

#### ***Item 6: Resolution on (A) employee option program; and (B) directed issue of warrants and approval of transfer of warrants***

The board of directors proposes that the extraordinary general meeting resolves to adopt an employee option program for all employees of the company in accordance with what is set out under A below.

After the company's announcement in August 2023, which stated that a re-evaluation of images from the company's Phase 3 study SPARKLE was required for reaching headline results of the pivotal study with the company's liver imaging candidate drug Orviglance®, the company has redirected its focus and resources and carried out cost cutting initiatives, including a significant organizational reduction, in order to be able to complete the above said re-evaluation. As a result of the actions made, the company has announced a new plan which enables the company to complete the required re-evaluation of SPARKLE by May 2024 with the company's current funding. In the new plan, headline data from the re-evaluation of SPARKLE is expected by May 2024. In the near future, the company is thus facing a period with for the company important milestones that are vital for the company's short and long-term development. As a result of the above, the board of directors has identified a significant need of implementing an attractive short-term incentive program that would incentivize and encourage the company's employees to execute the above-mentioned plan for the required re-evaluation of SPARKLE images.

The purpose of the proposed employee option program (the "**Employee Option Program 2023**") is to secure a short-term commitment for the employees in the company through a compensation system which is linked to the company's future value growth. Through the implementation of a share-based incentive program, the future value growth in the company is encouraged, which implies common interests and goals for the shareholders of the company and its employees. Such share-based incentive program is also expected to increase the company's possibilities to retain competent persons. Further details of the Employee Option Program 2023 are set out under Section A below.

In order to secure the company's undertakings under the Employee Option Program 2023, the board of directors also proposes that the extraordinary general meeting resolves on a directed issue of warrants and an approval of transfer of warrants in accordance with Section B below.

#### **A. The board of directors' proposal on implementation of Employee Option Program 2023**

The board of directors proposes that the extraordinary general meeting resolves to implement the Employee Option Program 2023 in accordance with the following substantial guidelines:

1. The Employee Option Program 2023 shall comprise a maximum of 1,880,000 employee options.
2. Employee options can be granted by the company or a subsidiary in the company's group (the "Group").
3. Each option entitles the holders a right to acquire one new ordinary share in the company against cash consideration at an exercise price amounting to 125 per cent of the volume weighted average share price of the company's ordinary share on Nasdaq Stockholm during 10 trading days immediately prior to the extraordinary general meeting on 13 November 2023 (however, the exercise price cannot be less than the quotient value of the share). In addition, the Employee Option Program 2023 shall include a maximum profit level with the implication that if, upon notification of exercise of an employee option, the price last paid for the company's share at the stock exchange or trading venue where the share is then listed at closing on the trading day immediately preceding the notification of exercise would exceed SEK 25 per share, the number of shares that each employee option entitles to subscription of shall be reduced to such an extent that the participant cannot benefit from any profit that otherwise would exceed the above-mentioned closing price.

The calculated exercise price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards. The exercise price and the number of shares that each option entitles right to may be subject to recalculation in the event of a bonus issue, split, rights issue etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied.

4. The board of directors of the company shall resolve upon allotment to participants in the Employee Option Program 2023, whereby participants in each category listed below can be offered up to the maximum of the number of employee options listed below.

<b>Participant category</b>	<b>Number of employee options</b>
CEO	360,000 employee options
Deputy CEO	300,000 employee options
CSO	240,000 employee options
Vice Presidents (3 persons)	160,000 employee options per participant
Directors (2 persons)	100,000 employee options per participant
All other positions (5 persons)	60,000 employee options per participant

5. Allotment is expected to take place no later than 30 November 2023.
6. The allotted employee options will vest in its entirety on 31 October 2024.
7. Vesting is, subject to certain customary good leaver exceptions, conditional upon that the participant continues to be employed within the Group and has not terminated the employment as of the date when the vesting occurs. If the participant ceases to be employed or terminates its employment within the Group before the vesting date, no vesting will occur.
8. The options shall not constitute securities and shall not be possible to transfer or pledge. However, in the event of death, the rights to vested employee options shall accrue to the beneficiaries of the holder of the options.
9. The employee options shall be allotted without consideration.
10. The holders can exercise allotted and vested options as from 1 November 2024 up to and including 31 December 2024. If an option holder is prohibited from subscription during the period set out in the foregoing sentence due to regulations under the Regulation (EU) No 596/2014 on Market Abuse, the Swedish Securities Market Abuse Penal Act (*Sw. lagen (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden*), the Swedish Act with Supplementary Provisions to the European Union's Market Abuse Regulation (*Sw. lagen (2016:1306) med kompletterande bestämmelser till EU:s marknadsmissbruksförordning*) or other insider legislation applicable in respect of the company, the company shall be entitled to instead permit subscription as soon as such option holder is no longer prohibited from subscription.

The reason why the vesting and exercise period is less than three years is that the company in the near future is facing a period with for the company important milestones that are vital for the company's short and long-term development, as stated further above. Therefore, the board of directors considers it important and necessary to increase the shareholder interest of the employees in order to be able to incentivize and encourage the employees to execute on the company's short-term plan to deliver headline data from the re-evaluation of the Phase 3 study SPARKLE with the orphan drug candidate Orviglance within expected timeframes. According to the board of directors, it is thus in the best interest of the company and the shareholders to apply a vesting and exercise period that is less than three years.

11. In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting the company, the options will vest in their entirety and be exercisable in connection with the relevant transaction.
12. Participation in the Employee Option Program 2023 is conditional upon that such participation can legally take place, and that such participation in the company's assessment can take place with reasonable administrative costs and financial efforts. The board of directors shall have the right to adapt the terms of the Employee Option Program 2023 to the extent necessary to enable allotment of employee options to

persons in other countries, as far as practicable, on terms and conditions corresponding to those that follow from the Employee Option Program 2023.

13. The employee options shall be governed by a separate agreement with the participant. The board of directors shall be responsible for the preparation and management of the Employee Option Program 2023 in accordance with the above-mentioned substantial terms and guidelines.

#### **B. Proposal for resolution on directed issue of warrants and approval of transfer of warrants**

In order to enable the company's delivery of shares under the Employee Option Program 2023, the board of directors proposes that the extraordinary general meeting resolves on a directed issue of warrants and approval of transfer of warrants. The board of directors thus proposes that the extraordinary general meeting resolves on a directed issue of a warrants in accordance with the following terms and conditions:

1. A maximum of 1,880,000 warrants shall be issued.
2. With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by the company or a subsidiary in the Group. The reason for the deviation from the shareholders' preferential rights is that the warrants are issued as part of the implementation of the Employee Option Program 2023. In the light of what has been stated above, the board of directors considers that it is for the benefit of the company and its shareholders that employees are offered to participate in the Employee Option Program 2023.
3. Subscription shall be made no later than 30 November 2023.
4. Over subscription cannot occur.
5. The warrants shall be issued without consideration. The reason hereof is that the warrants shall be issued as part of the implementation of the Employee Option Program 2023.
6. Each warrant entitles to subscription of one ordinary share in the company at a subscription price amounting to 125 per cent of the volume weighted average share price of the company's ordinary share on Nasdaq Stockholm during 10 trading days immediately prior to the extraordinary general meeting on 13 November 2023 (however, the exercise price cannot be less than the quotient value of the share). The thus calculated subscription price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards. The part of the subscription price exceeding the share quotient value shall be added to the free share premium reserve. The subscription price and the number of shares that each warrant entitles right to subscribe for are subject to customary recalculation in the event of a split-up or consolidation of shares, rights issue etc.
7. Subscription of shares by virtue of the warrants may be made from registration with the Swedish Companies Registration Office up to and including 31 March 2025.

8. The shares issued upon utilization of a warrant shall confer right to dividends the first time on the record date for dividends that occurs immediately following effectuation of subscription to such extent that the share has been recorded in the company's share ledger as interim share.
9. If all warrants are exercised for subscription of new ordinary shares, the share capital will increase with SEK 1,880,000.
10. The company's chairman of the board of directors shall be entitled to make such minor adjustments of the issue resolution that might be necessary in connection with registration with the Swedish Companies Registration Office.

Further, the board of directors proposes that the extraordinary general meeting shall resolve to approve that the company or another company in the Group may transfer warrants to the participants in the Employee Option Program 2023 (or to a financial intermediary assisting with the delivery of shares to participants in the Employee Option Program 2023) without consideration in connection with the exercise of employee options in accordance with the terms and conditions under Section A above.

#### *Other information regarding the Employee Option Program 2023*

The board of directors estimates that the Employee Option Program 2023 will incur costs for the company partly from an accounting perspective in accordance with IFRS 2 and partly in form of social security. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security charges will be expensed in the income statement during the vesting period.

The employee options do not have a market value since they are not transferable. However, the board of directors has calculated a theoretical value of the employee options using the "Black Scholes" formula. Assuming that all options are allotted and assuming a share price at the time of allotment of the options of SEK 3.6, a strike price of SEK 4.5, a volatility of 58 per cent, a risk-free interest rate of 1.9 per cent and that 100 per cent of the employee options are vested, the value of an employee option has been calculated to SEK 0.52 and the total personnel costs for the Employee Option Program 2023 in accordance with IFRS 2 is estimated to be approximately SEK 977,600 before tax during the period 2023-2024. Under the same conditions, but assuming that only 50 per cent of the employee options are vested, the total personnel cost for the Employee Option Program 2023 in accordance with IFRS 2 is estimated to approximately SEK 488,800 before tax during the same period.

Upon exercise of the employee options, the Employee Option Program 2023 will also result in costs in the form of social security charges. Total costs for social security charges during the vesting period depend on how many employee options that are exercised and on the value of the benefit that the participant will ultimately receive, i.e. on the value of the employee options upon exercise. Assuming that the share price will rise 50 per cent upon exercise compared to the volume weighted average share price of the company's share during the measurement period for the establishment of the exercise price, that 100 per cent of the employee options allotted in the program will be exercised, that the social security charges amount to 17 per cent (blended rate), an assumed volume weighted average share price during the measurement period for the establishment of the exercise price of SEK 3.6 and an assumed exercise price of SEK 4.5, the costs for the social security charges amount to approximately SEK 287,640. Under the same conditions, but assuming that the share price will rise 100 per cent upon exercise of the employee options, the cost of social security charges is estimated to amount to

approximately SEK 862,920.

It shall be noted that the calculations are based on preliminary assumptions and are only intended to provide an illustration of the outcome.

As per the date of the notice to the general meeting, the number of shares in the company amounts to 34,871,177, whereof 33,722,762 are ordinary shares and 1,148,415 are series C shares which were issued in connection with outstanding share saving programs resolved upon at previous annual general meetings, and which will be converted into ordinary shares prior to delivery to the participants.

In case all warrants issued in relation to the Employee Option Program 2023 are exercised for subscription of new ordinary shares, a total of 1,880,000 new ordinary shares will be issued, which corresponds to a dilution of approximately 5.3 per cent of the company's ordinary shares after full dilution, calculated on the number of ordinary shares that will be added upon full exercise of all warrants issued in relation to the Employee Option Program 2023. The dilution would have meant that the company's key figure "Earnings per share" for the full year 2022 had changed from SEK -3.77 to SEK -3.58.

Since previously, there are incentive programs in the form of four performance-based share saving programs outstanding in the company. For a description of these programs, please see note 7 in the annual report for 2022, and for the program resolved by the annual general meeting 2023, the complete proposal ahead of the annual general meeting 2023. In the outstanding share saving programs, the participants can receive matching shares and, subject to the fulfilment of conditions related to an increase in the share price, performance shares. In light of the company's recent organizational reduction as well as the company's share price development, the board of directors considers it unlikely that any performance shares will be delivered to participants in the outstanding share saving programs as the performance targets for the company's share price of the programs by far exceed the current share price, and that only matching shares may be delivered to those participants that are still employed by the company. In the below calculation of overall dilution from existing incentive programs, any delivery of performance shares has hence been disregarded and only matching shares that may be delivered to participants in the programs have been considered. Moreover, the dilution below does not consider any conversion of series C shares into ordinary shares that the company may convert and transfer for hedging of cash flow for any social security contributions that may arise in relation to the outstanding programs. Upon full delivery of matching shares in the existing incentive programs, the existing incentive programs can lead to that in the aggregate 213,539 new ordinary shares are issued.

Upon full delivery of the maximum number of matching shares in the existing incentive programs and in case the proposed Employee Option Program 2023 is exercised in full, a total of 2,093,539 new ordinary shares will be issued, which corresponds to a total dilution of approximately 5.8 per cent of the company's ordinary shares, calculated on the number of ordinary shares that will be added upon full delivery of matching shares in the outstanding incentive programs as well as the proposed Employee Option Program 2023.

The above calculations regarding dilution and impact on key figures are subject to recalculation of the warrants in accordance with the customary recalculation terms set out in the complete terms and conditions for the warrants.



This proposal has been prepared by the board of directors and its remuneration committee in consultation with external advisers.

The resolutions in accordance with Section A and B above shall be resolved upon as one resolution.

#### **Particular majority requirements**

For a valid resolution on the proposal pursuant to item 6, the proposal has to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the extraordinary general meeting.

#### **Shareholders' right to information**

Shareholders who are present at the general meeting have the right to request information regarding circumstances that may affect the assessment of an item on the agenda in accordance with Chap. 7 Section 32 item 1 in the Swedish Companies Act (*Sw. aktiebolagslagen*).

#### **Meeting documents**

Complete proposals for resolutions and other documents according to the Swedish Companies Act will be kept available at the company's office, at Hyllie Boulevard 34, SE-215 32 Malmö, Sweden, and at the company's website ([www.ascelia.com](http://www.ascelia.com)) as from no later than two weeks before the general meeting. Copies of the documents will be sent to shareholders who request it and provide their address, and will also be available at the general meeting.

#### **Number of shares and votes in the company**

As per the date of the notice to the general meeting, the total number of shares in the company amounts to 34,871,177 shares, of which 33,722,762 are ordinary shares with one vote per share and 1,148,415 are series C shares with one-tenth of a vote per share. The number of votes in the company amounts to 33,837,603.5 votes. The company holds all 1,148,415 outstanding series C shares, corresponding to 114,841.5 votes, which cannot be represented at the meeting.

#### **Processing of personal data**

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Malmö in October 2023  
Ascelia Pharma AB (publ)  
The Board of Directors



## Contacts - Magnus & Julie

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*This information was submitted for publication, through the agency of the contact persons set out above.*

## About Us

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Ascelia Pharma is a biotech company focused on orphan oncology treatments. We develop and commercialize novel drugs that address unmet medical needs and have a clear development and market pathway. The company has two drug candidates – Orviglance (previously referred to as Mangoral) and Oncoral – in clinical development. Ascelia Pharma has global headquarters in Malmö, Sweden, and is listed on Nasdaq Stockholm (ticker: ACE). For more information, please visit <http://www.ascelia.com>.

### **About Orviglance** (previously referred to as Mangoral)

Orviglance (manganese chloride tetrahydrate) is a novel oral contrast agent for MR-imaging developed to improve the detection and visualization of focal liver lesions (including liver metastases and primary tumors) in patients with reduced kidney function. These patients are at risk of serious side effects from the currently available class of gadolinium-based contrast agents. Orviglance, has been granted an Orphan Drug Designation by the US Food and Drug Administration (FDA). A clinical program of nine studies, including the pivotal global Phase 3 study SPARKLE, has been completed. Results from the Phase 3 study are not yet available.

### **About Oncoral**

Oncoral is a novel irinotecan chemotherapy tablet developed initially for the treatment of gastric cancer. Irinotecan chemotherapy has an established potent anti-tumor effect. Oncoral is a daily tablet with the potential to offer better patient outcomes with improved safety following the daily dosing at home compared to intravenous high-dose infusions at the hospital. Following successful Phase 1 results, Oncoral is now prepared for Phase 2 clinical development.

## Attachments

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### **NOTICE OF EXTRAORDINARY GENERAL MEETING IN ASCELIA PHARMA AB**