

## NOTICE OF ANNUAL GENERAL MEETING IN ASCELIA PHARMA AB

The shareholders in Ascelia Pharma AB, Reg. No. 556571-8797 ("Ascelia Pharma"), are hereby invited to the annual general meeting (Sw. årsstämma) to be held on Thursday 5 May 2022.

The board of directors has decided that the annual general meeting will be held only by advance voting (postal vote) in accordance with temporary legislation. This means that the annual general meeting will be conducted without the physical presence of shareholders, proxies or external parties and that shareholders' exercise of voting rights at the annual general meeting can only take place by shareholders voting in advance in the order prescribed below. Information on the resolutions passed by the annual general meeting will be published on Thursday 5 May 2022, as soon as the outcome of the advance voting is finally compiled.

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

Shareholders wishing to attend the annual general meeting by advance voting must:

- be registered in the company's share register kept by Euroclear Sweden AB (the Swedish Securities Register Center) as of Wednesday 27 April 2022; and
- have notified their participation no later than Wednesday 4 May 2022 by casting their advance vote to the company in accordance with the instructions under the heading "Voting in advance" below so that the advance vote is received by the company no later than that day.

### **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 annual general meeting by advance voting, 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 Friday 29 April 2022. Accordingly, shareholders must well in advance before this date notify their trustee of their request of such voting rights registration.

### **Voting in advance**

Shareholders may exercise their voting rights at the annual general meeting only by voting in advance, so called postal voting in accordance with Section 22 of the Act (2022:121) on temporary exceptions to facilitate the execution of shareholders' meetings in companies and other associations. A special form shall be used for advance voting. The form is available on the company's website ([www.ascelia.com](http://www.ascelia.com)). The advance voting form is considered as the notification of attendance to the annual general meeting. The completed voting form must be

submitted to the company no later than on Wednesday 4 May 2022. The completed and signed form shall be sent to Ascelia Pharma AB, att: Kristian Borbos, Hyllie Boulevard 34, SE-215 32 Malmö, Sweden. A completed form may also be submitted electronically and is to be sent to [kb@ascelia.com](mailto:kb@ascelia.com). If a shareholder votes in advance through a proxy, a written and dated power of attorney signed by the shareholder must be attached to the form. A proxy form is available on the company's website ([www.ascelia.com](http://www.ascelia.com)). If the shareholder is a legal entity, a registration certificate or equivalent document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid. Further instructions and conditions are included in the advance voting form.

### **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. Submission of the annual report and the audit report and the consolidated annual report and consolidated audit report as well as the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives.
7. Resolutions regarding:
  - a. adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
  - b. allocation of the company's profits in accordance with the adopted balance sheet; and
  - c. discharge of the members of the board of directors and the CEO from liability.
8. Determination of
  - a. the number of members of the board of directors.
  - b. the number of auditors and deputy auditors.
9. Determination of
  - a. remuneration for the members of the board of directors.
  - b. remuneration for the auditors.
10. Election of members of the board of directors and chairman of the board of directors.
  - a. Peter Benson (re-election).
  - b. Niels Mengel (re-election).
  - c. René Spogárd (re-election).
  - d. Helena Wennerström (re-election).
  - e. Hans Maier (re-election).
  - f. Lauren Barnes (re-election).
  - g. Chairman of the board of directors: Peter Benson (re-election).
11. Election of auditors.
12. Resolution on instruction and charter for the Nomination Committee.
13. Resolution on remuneration of the Nomination Committee for work ahead of the annual general meeting in 2023.
14. Resolution on approval of remuneration report.
15. Resolution on guidelines for remuneration to senior executives.
16. Resolution on authorization for the board of directors regarding issues.
17. Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share saving program; (B) authorization on directed issues of series C shares; (C) authorization for repurchase of series C shares; and (D) resolution

on transfer of own ordinary shares.

18. Resolution on authorization for the board of directors regarding transfer of own ordinary shares.

19. Closing of the meeting.

### **Proposed resolutions**

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

The Nomination Committee, that has consisted of Jørgen Thorball (chairman), appointed by Sunstone Life Science Ventures II K/S, Håkan Nelson, appointed by Øresund-Healthcare Capital K/S, Marianne Flink, appointed by Fjärde AP-fonden (AP4), and Peter Benson, chairman of the board of directors, proposes that lawyer Ola Grahn is elected as chairman of the meeting or, in his absence, the person appointed by the Nomination Committee instead.

#### ***Item 2: Preparation and approval of the voting list***

The voting list that is proposed to be approved is the voting list prepared by the company, based on the share register of the meeting and received advance votes, controlled by the person approving the minutes of the meeting.

#### ***Item 4: Election of one or two persons who shall approve the minutes of the meeting***

Håkan Nelson, representing Øresund-Healthcare Capital K/S, is proposed to, together with the chairman, approve the minutes of the meeting, or, in his absence, the person appointed by the board of directors instead. The assignment to approve the minutes also includes controlling the register of voters and that received advance votes are correctly reproduced in the minutes.

#### ***Item 7 b: Resolution regarding allocation of the company's profits in accordance with the adopted balance sheet***

The board of directors proposes that no dividends are paid to the shareholders and that the available funds of SEK 298,247,271 are carried forward.

#### ***Item 8 a: Determination of the number of members of the board of directors***

The Nomination Committee proposes that the board of directors shall be composed of 6 members.

#### ***Item 8 b: Determination of the number of auditors and deputy auditors***

The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that one registered accounting firm is appointed as auditor.

#### ***Item 9 a: Determination of remuneration for the members of the board of directors***

The Nomination Committee proposes that board remuneration shall be paid with SEK 525,000 to the chairman of the board (SEK 500,000 previous year) and with SEK 262,500 to each of the other board members who are not employed by the company (SEK 250,000 previous year). It is further proposed that remuneration for committee work shall be paid with SEK 100,000 to the chairman of the Audit Committee (unchanged since previous year), with SEK 25,000 to each of the other members of the Audit Committee (unchanged since previous year), with SEK 100,000 to the chairman of the Commercialization Committee (unchanged since previous year), with SEK 25,000 to each of the other members of the Commercialization Committee (unchanged since previous year), with SEK 50,000 to the chairman of the Remuneration Committee (SEK 0 previous year) and with SEK 25,000 to each of the other members of the Remuneration Committee (SEK 0 previous year). It is finally proposed that, in addition to the above, board members residing outside of Europe shall be paid additional board remuneration with SEK 10,000 per physical board meeting attended (unchanged since previous year).

***Item 9 b: Determination of remuneration for the auditors***

The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that remuneration for the auditor shall be paid in accordance with customary norms and approved invoice.

***Item 10: Election of members of the board of directors and chairman of the board of directors***

The Nomination Committee proposes that Peter Benson, Niels Mengel, René Spogård, Helena Wennerström, Hans Maier and Lauren Barnes are re-elected as ordinary board members, and that Peter Benson is re-elected as chairman of the board of directors. The present board member Bo Jesper Hansen has declined re-election.

Information on the board members proposed for re-election can be found at the company website ([www.ascelia.com](http://www.ascelia.com)) and in the annual report.

***Item 11: Election of auditors***

The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that Öhrlings PricewaterhouseCoopers AB is re-elected as accounting firm. Öhrlings PricewaterhouseCoopers AB has informed that the authorized public accountant Carl Fogelberg will continue to be the auditor in charge.

***Item 12: Resolution on instruction and charter for the Nomination Committee***

The Nomination Committee proposes that the annual general meeting resolves to adopt the following instruction and charter for the Nomination Committee.

The company shall have a Nomination Committee consisting of four members. The members should be one representative of each of the three largest shareholders in the company with regard to the number of votes held who wish to appoint such representatives together with the chairman of the board of directors, who also will convene the first meeting of the Nomination Committee. The Nomination Committee shall perform the duty of the Nomination Committee in accordance with the Swedish Corporate Governance Code. The Nomination Committee's term of office shall extend until a new Nomination Committee is appointed.

The Nomination Committee shall be composed based on shareholder statistics from Euroclear Sweden AB as of the last banking day in September and other reliable shareholder information which has been provided to the company at such time. When determining who are the three largest shareholders with regard to the number of votes held, a group of shareholders shall be considered as one owner if they (i) have been organized as a group in the Euroclear-system or (ii) have made public and notified the company that they have made a written agreement to take – through the coordinated exercise of voting rights – a common long-term view on the management of the company. The Nomination Committee shall appoint one of the members, who is not the chairman of the board of directors or another member of the board of directors, as chairman of the Nomination Committee. The chairman of the Nomination Committee shall, if the Nomination Committee does not resolve otherwise, be the member that represents the largest shareholder with regard to the number of votes held. The names of the representatives and the names of the shareholders they represent shall be announced as soon as they have been appointed, however, no later than six months prior to the annual general meeting.

If, during the term of office of the Nomination Committee, one or more shareholders having appointed a representative to the Nomination Committee no longer is among the three largest shareholders with regard to the number of votes held, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the three largest shareholders with regard to the number of votes held, may appoint their

representatives. In the event that a member leaves the Nomination Committee before its term of office is completed, the shareholder who appointed the member shall appoint a new member. If this shareholder is no longer one of the three largest shareholders with regard to the number of votes held, a new member is appointed according to the above procedure. Unless there are special circumstances, no changes shall be made in the composition of the Nomination Committee if there are only marginal changes in the number of votes held or if the change occurs later than three months before the annual general meeting. A shareholder that has become one of the three largest shareholders, with regard to the number of votes held, due to a more significant change in the number of votes held later than three months before the annual general meeting shall, however, be entitled to appoint a representative who shall be invited to participate in the Nomination Committee's work as a co-opted member. A shareholder who has appointed a representative as member of the Nomination Committee has the right to dismiss such member and appoint a new representative as member of the Nomination Committee. Changes in the composition of the Nomination Committee shall be announced as soon as they have occurred.

These principles for the Nomination Committee's appointment and instruction for the Nomination Committee shall be valid until further notice until a resolution on amendment is passed by a general meeting.

***Item 13: Resolution on remuneration of the Nomination Committee for work ahead of the annual general meeting in 2023***

The Nomination Committee proposes that remuneration shall be paid with SEK 50,000 to the chairman of the Nomination Committee for the work up and until the annual general meeting to be held in 2023.

***Item 14: Resolution on approval of remuneration report***

The board of directors proposes that the annual general meeting resolves to approve the board of directors' remuneration report for the financial year 2021.

***Item 15: Resolution on guidelines for remuneration to senior executives***

The board of directors proposes – with amendments to the guidelines adopted by the annual general meeting 2020 – that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

**Scope and applicability of the guidelines**

These guidelines comprise the persons who are part of Ascelia Pharma's group management (including the CEO). The guidelines also encompass any remuneration to members of the board of directors, in addition to board remuneration.

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. These guidelines do not apply to any remuneration resolved by the general meeting, such as e.g. board remuneration and share-based incentive programs.

**The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

Ascelia Pharma is a biotech company focused on orphan oncology treatments. In brief, Ascelia Pharma's business strategy is to develop and commercialize novel drugs that address unmet medical needs and have a clear development and market pathway. Ascelia Pharma has two drug candidates – Orviglance (previously referred to as Mangoral) and Oncoral – in clinical development. For more information about Ascelia Pharma's business strategy, see Ascelia Pharma's latest annual report.

A successful implementation of Ascelia Pharma's business strategy and safeguarding of Ascelia Pharma's long-term interests, including its sustainability, require that the company is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. In order to achieve this, Ascelia Pharma must offer a competitive total remuneration on market terms, which these guidelines enable.

Long-term share-based incentive programs have been implemented in Ascelia Pharma. For further information about these programs, see Ascelia Pharma's latest annual report. The share-based incentive programs have been approved by the general meeting and are therefore not covered by these guidelines.

### **Types of remuneration, etc.**

The remuneration shall be on market terms and be competitive, and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on factors such as competence, area of responsibility and performance. Additionally, the general meeting may – irrespective of these guidelines – resolve on, e.g. share and share price-related remuneration.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *Fixed salary*

The CEO and other senior executives shall be offered a fixed annual cash salary. The fixed salary shall as a starting point be determined per calendar year with salary revision on an annual basis.

#### *Variable cash remuneration*

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Ascelia Pharma's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. Variable cash remuneration may, for the CEO, amount to a maximum of 40 percent of the fixed annual salary, and for other senior executives, a maximum of 30 percent of the fixed annual salary. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as revenue targets, EBITDA/EBIT targets and budget adherence, or non-financial, such as achievement of clinical and manufacturing milestones. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Ascelia Pharma's financial and operational development, they contribute to the implementation of the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 30 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the Remuneration Committee.

The board of directors shall have the possibility to, in whole or in part, reclaim variable cash remuneration paid on incorrect grounds.

#### *Pension benefits*

Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Premiums for defined contribution pensions, including health insurance, may amount to a maximum of 30 percent of the fixed annual salary.

In addition, senior executives may be entitled to arrange individual pension schemes where refrained salaries and variable remuneration can be used for increased pension contributions, provided that the total cost for the company is unchanged over time.

#### *Other benefits*

Other benefits may include life insurance, medical insurance and a company car. Premiums and other costs relating to such benefits may amount to a total of not more than 20 percent of the fixed annual salary.

#### **Termination of employment and severance payment**

Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment by Ascelia Pharma, the notice period may not exceed 12 months. Fixed salary and other remuneration during the notice period and severance pay may not together exceed an amount corresponding to the fixed annual salary for 18 months. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay.

In addition to fixed salary during the period of notice and severance pay, additional remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed senior executive is not entitled to severance pay for the period for which the non-compete undertaking applies. The remuneration shall be based on the fixed annual salary at the time of termination of employment and amount to not more than 60 percent of the fixed annual salary at the time of termination of employment, save as otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete undertaking applies, however not for more than 12 months following termination of employment.

#### **Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Ascelia Pharma have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **Consultancy fees to the members of the board of directors**

To the extent a member of the board of directors renders services for the company, in addition to his or her assignment as a member of the board of directors, an additional consultancy fee on market terms may be paid to the member of the board of directors, or to a company controlled by such member of the board of directors, provided that such services contribute to the implementation of Ascelia Pharma's business strategy and the safeguarding of Ascelia Pharma's long-term interests, including its sustainability.

### **Preparation and decision-making progress**

The board of directors has established a Remuneration Committee. The Remuneration Committee's duties include i.a. preparing the board of directors' resolution to propose guidelines for remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent in relation to the company and its senior management. The CEO and other members of the senior management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### **Deviation from these guidelines**

The board of directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the board of directors' resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

### **Review of the guidelines**

The board of directors has not received any comments from the shareholders regarding current guidelines for remuneration to senior executives. The board of directors' proposal on guidelines for remuneration to senior executives corresponds, in all material respects, to existing guidelines, except that variable cash remuneration for other senior executives may not exceed 30 percent (previously 20 percent) of the fixed annual cash salary.

### ***Item 16: Resolution on authorization for the board of directors regarding issues***

The board of directors proposes that the annual general meeting resolves to authorize the board of directors, at one or several occasions, during the time up until the next annual general meeting, with or without deviation from the shareholders' preferential rights, and with or without provisions regarding payment in kind or through set-off or other provisions, to resolve to issue new ordinary shares, convertibles and/or warrants. The reason for that deviation from the shareholders' preferential rights shall be permitted is to enable the company to raise working capital, to execute acquisitions of companies or operating assets as well as to enable issues to industrial partners within the framework of partnerships and alliances. The total number of ordinary shares that that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall not exceed 8,417,066, which corresponds to a dilution of approximately 20 percent calculated on the number of outstanding ordinary shares in the company. To the extent an issue is made with deviation from the shareholders' preferential rights, the issue should be made on market terms.



The CEO 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).

***Item 17: Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share saving program; (B) authorization on directed issues of series C shares; (C) authorization for repurchase of series C shares; and (D) resolution on transfer of own ordinary shares***

The board of directors proposes that the annual general meeting resolves to implement a long-term incentive program in the form of a performance-based share saving program (the “LTI 2022”) for employees in accordance with A below. The resolution is conditional upon that the annual general meeting also resolves on hedging measures in accordance with B – D below.

**A. Implementation of a performance-based share saving program**

***Background***

The overall purpose with LTI 2022 is to align the interests of the employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2022 is also considered to create a long-term focus on increase in earnings and growth among the participants. LTI 2022 is further considered to facilitate for the company to recruit and retain employees.

At the annual general meetings in 2019, 2020 and 2021, it were resolved to implement corresponding incentive programs for employees in the company (LTI 2019, LTI 2020 and LTI 2021).

***Terms and conditions for LTI 2022***

1. LTI 2022 shall comprise senior executives and key employees divided into three categories.
2. LTI 2022 means that the participants will invest in ordinary shares in the company (“**Saving Shares**”). Following a predefined time period, the participants will, free of charge, have the right to receive additional shares in the company (“**Matching Shares**”). In addition, conditional upon fulfilment of a goal related to the development of the share price, the participants will further, free of charge, have the right to receive additional shares in the company (“**Performance Shares**”). The conditions for receipt of Matching Shares and Performance Shares are set out below.
3. The maximum number of Saving Shares that each participant shall be entitled to invest in shall amount to the following:

<b>Position</b>	<b>Maximum number of Saving Shares</b>
CEO	22,500
Other senior executives (3 persons)	15,000
Vice Presidents (2 persons)	8,500
Directors (6 persons)	5,000
Other employees (12 persons)	1,500

4. The board of directors shall, within the limits stated above, resolve on the maximum number of Saving Shares that each individual participant may acquire.

5. The investment in Saving Shares shall be made through acquisition of ordinary shares on the stock market on 30 September 2022 at the latest (the "**Investment Period**"). The board of directors shall be entitled to prolong the Investment Period in case participants have been unable to acquire shares due to applicable insider regulations.

6. For each Saving Share, the participant shall be entitled to receive 1 Matching Share. In addition, for each Saving Share, the participant shall have the possibility to receive up to 5 Performance Shares for each Saving Share.

7. The total number of Matching Shares will not exceed 132,500 and the total number of Performance Shares will not exceed 662,500, meaning that the total number of shares that can be issued to the participants in connection with LTI 2022 will not exceed 795,000. The number of shares that can be issued in connection with LTI 2022 might be recalculated in accordance with what is set out in Section 11 below.

8. Receipt of both Matching Shares and Performance Shares are conditional upon the fulfilment of the following conditions:

(a) that the participant has retained all Saving Shares during the period from the expiration of the Investment Period to 30 September 2025 (the "**Saving Period**"); and

(b) that the participant has continued to be employed by the company (or another company in its group) throughout the Saving Period.

As regards the employment condition as per (b) above, the board of directors shall in certain cases be entitled to resolve on proportionate allocation in case the employment is terminated prior to the expiration of the Saving Period as set out in Section 14 below.

9. Receipt of Performance Shares is further, in addition to the conditions following from Section 8 above, conditional upon that the requirement related to the development of the company's share price from the date of the annual general meeting on 5 May 2022 to and including 30 September 2025 (the "**Performance Target**") is fulfilled. The Performance Target will be measured based on the volume weighted average share price 30 trading days immediately following the annual general meeting on 5 May 2022 and 30 trading days immediately preceding 30 September 2025. An increase in the share price with less than 20 per cent does not entitle to any vesting of any of the Performance Shares, an increase in the share price with 20 per cent entitles to vesting of 1 Performance Share per Saving Share and an increase in the share price with 80 per cent or more entitles to vesting of all the 5 Performance Shares per Saving Share. In the event of an increase in the share price of between 20 and 80 per cent, vesting of the Performance Shares will occur linearly between 1 and 5.

10. Before the number of Performance Shares to be allocated is finally determined, the board of directors shall evaluate 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.

11. The number of Matching Shares and Performance Shares that may be allotted by virtue of Saving Shares as well as the Performance Target shall be subject to recalculation in consequence of a bonus issue, split or reverse split, rights issue, and/or other similar company actions.

12. Allotment of Matching Shares and Performance Shares shall take place within 30 days from the publication of the financial report for the period July – September 2025.

13. Participation in LTI 2022 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.

14. LTI 2022 shall be governed by separate agreements with the respective participant. The board of directors shall be responsible for the preparation and management of LTI 2022 within the above mentioned principal terms and guidelines. In connection herewith, the board of directors shall be entitled to resolve on diverging terms for the allocation of Matching Shares and Performance Shares in connection with cessation of employment during the Saving Period due to death, early retirement or similar occasions or due to termination by the company that is not related to misconduct by the participants. In these cases the board of directors may resolve that the participant will be entitled to receive a proportionate part of the Matching Shares and the Performance Shares. 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, at its sole discretion, be entitled to resolve that the Matching Shares and 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 Target, the remainder of the Saving Period and any other factors deemed relevant by the board of directors.

#### **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 973,677 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 of the shares. 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 Matching Shares and Performance Shares under LTI 2022 and, in terms of liquidity, to hedge payments of future social security contributions related to LTI 2022. It is noted that this shall be achieved through the company repurchasing the series C shares issued pursuant to the authorization in section C below whereafter the repurchased series C shares will be converted to ordinary shares and transferred in accordance with section 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 Matching Shares and Performance Shares under LTI 2022 and, in terms of liquidity, to hedge

payments of future social security contributions related to LTI 2022.

The board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (*Sw. aktiebolagslagen*) 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 2022, the board of directors proposes that the annual general meeting resolves that the company shall be entitled to transfer the company's 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 Matching Shares and Performance Shares to participants in LTI 2022, at most 795,000 shares.

2. The number of shares that may be transferred pursuant to LTI 2022 shall be subject to recalculation in consequence of a bonus issue, split or reverse split, rights issue, and/or other similar corporate action which affects the number of shares in the company.

3. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in LTI 2022 who are entitled to be allotted Matching Shares and Performance Shares in accordance with the terms and conditions of the program.

4. Transfer of shares to participants in LTI 2022 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2022.

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 Matching Shares and Performance Shares to participants in LTI 2022.

Since LTI 2022 is not expected to initially give rise to any costs for social security contributions for the company (and since a resolution on transfer is valid only until the next annual general meeting), the board of directors has decided not to propose that the annual general meeting 2022 resolves on an authorization for the board of directors to transfer the company's own ordinary shares on a regulated market for hedging of cash flow for social security payments in relation to LTI 2022. However, before any transfers of shares to participants in LTI 2022 are made, the board of directors intends to propose to a later general meeting to resolve on an authorization for the board of directors to transfer own ordinary shares on a regulated market in order to hedge such payments.

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

The board of directors has made a preliminary cost calculation for LTI 2022. The costs for LTI 2022 are accrued over the vesting period which runs until 30 September 2025. The calculation has been made using the generally accepted modelling technique Monte-Carlo simulation based on the quoted closing price for shares in the company as per 23 March 2022, i.e. SEK 22.3 per share, and with the following assumptions: (i) all participants acquire the maximum number of Saving Shares; (ii) an annual dividend yield of 0 per cent; (iii) an estimated annual employee turnover of 0 per cent; and (iv) a share price volatility of 58 per cent. Based on these assumptions, the total costs for LTI 2022 are estimated to amount to approximately SEK 6.6 million, excluding social security contributions. The costs for social security contributions are estimated to amount to approximately SEK 1.5 million, based on the above assumptions, and an average tax rate of 22.5 per cent for social security contributions.

The anticipated annual costs of approximately SEK 2.7 million, including social security contributions, correspond to approximately 7 per cent of the company's total employee costs for the financial year 2021. Based on the calculation of costs as described above, the key figure earnings per share for the financial year 2021 had been changed from SEK -3.82 to SEK -3.90. It should be noted the calculations are based on the assumptions stated above and are only intended to provide an illustration of the outcome.

As per the date of the notice, the number of shares in the Company amounts to 34,871,177 shares, of which 33,668,262 are ordinary shares and 1,202,915 are series C shares which were issued in connection with the share saving programs resolved at the annual general meetings 2019, 2020 and 2021, and which will be converted into ordinary shares prior to delivery to the participants.

The maximum number of shares that can be issued in relation to LTI 2022 is 973,677, whereof 795,000 for delivery of Matching Shares and Performance Shares to the participants and in the aggregate 178,677 related to hedging of cash flow for social security payments, which corresponds to a dilution of approximately 2.8 per cent of the company's ordinary shares after full dilution, calculated on the number of ordinary shares that will be added upon full issuance of shares in connection with LTI 2022.

Since previously, there are incentive programs in the form of one employee option program and three performance-based share saving programs outstanding in the company. In case all outstanding incentive programs as well as the proposed LTI 2022 are exercised in full, a total of 2,794,568 new ordinary shares will be issued, which corresponds to an aggregate dilution of approximately 7.7 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 outstanding incentive programs as well as the suggested LTI 2022.

The above calculations regarding dilution are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.

#### *Preparation of the proposal and other information*

The proposal for LTI 2022 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

The board of directors' proposal on implementation of a long-term incentive program in accordance with Sections A to D above constitutes an overall proposal which shall be resolved upon as one resolution.

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.

#### ***Item 18: Resolution on authorization for the board of directors regarding transfer of own ordinary shares***

The board of directors proposes that the annual general meeting resolves to authorize the board of directors to, for the period up until the next annual general meeting, resolve on transfer of not more than 108,365 own ordinary shares, for the purpose of hedging cash flow for social security payments that may occur in relation to LTI 2019. Transfer of shares shall be

effected on Nasdaq Stockholm at a price within the, at each time, prevailing price interval for the share. The number of shares that may be transferred shall be subject to recalculation in consequence of an intervening bonus issue, split or reverse split, rights issue, and/or other similar corporate actions which affects the number of shares in the company.

#### **Particular majority requirements**

For valid resolutions on the proposals pursuant to items 16 and 18, the proposals have to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the annual general meeting. For a valid resolution on the proposal pursuant to item 17, 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 annual general meeting.

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

The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of items on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries financial position and the company's relation to other companies within the group. Requests for such information must be submitted via e-mail to [kb@ascelia.com](mailto:kb@ascelia.com) or by post Ascelia Pharma AB, att: Kristian Borbos, Hyllie Boulevard 34, SE-215 32 Malmö, Sweden, no later than Monday 25 April 2022. The information is provided by keeping it available at the company's office and website, no later than Saturday 30 April 2022. The information will also be sent within the same time to the shareholders who have requested it and provided their postal or e-mail address.

#### **Meeting documents**

Financial statements, the audit report, the board of directors remuneration report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives, complete proposals for resolutions and other documents for the annual general meeting, are presented by keeping them 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 three weeks before the annual general meeting, and will also be sent to shareholders who request it and provide their address. The share register of the annual general meeting will also be available at the company's office.

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

As per the date of the notice to the annual general meeting, the total number of shares in the company amounts to 34,871,177 shares, of which 33,668,262 are ordinary shares with one vote per share and 1,202,915 are series C shares with one-tenth of a vote per share. The number of votes in the company amounts to 33,788,553.5 votes. The company holds all 1,202,915 outstanding series C shares, corresponding to 120,291.50 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 April 2022

Ascelia Pharma AB (publ)

The Board of Directors

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## 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, which has been granted an Orphan Drug Designation by the US Food and Drug Administration (FDA), is currently in Phase 3 development, including the global multi-center SPARKLE study.

### **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 ANNUAL GENERAL MEETING IN ASCELIA PHARMA AB](#)**