

Notice of annual general meeting in Xbrane Biopharma AB

The shareholders of Xbrane Biopharma AB, reg. no. 556749-2375, (the "Company"), are hereby convened to the annual general meeting to be held on Thursday 14 May 2020, at 17.30 at Baker McKenzie's premises at Vasagatan 7 in Stockholm. The doors to the meeting will open at 17.15.

Information with respect to the coronavirus

Due to the development of the coronavirus the goal is that the annual general meeting shall be swift and effective to minimize spread of disease. Shareholders should carefully consider the possibility to vote in advance, please see below, as well as the possibility of participating by way of proxy. Shareholders who display symptoms of infection (dry cough, fever, respiratory distress, sore throat, headache, muscle and joint ache), have been in contact with people displaying symptoms, have visited a risk area, or belong to a risk group, are in particular encouraged to utilize such possibility. The board of directors of the Company has resolved on the following measures to minimize the risk of the spread of the coronavirus at the annual general meeting:

- Possibility to vote in advance.
- Registration for the annual general meeting will commence at 17.15.
- External guests will not be invited.
- No food or refreshments will be served.
- The presentations by the chairman of the board, the CEO, and member of the nomination committee respectively, will be shortened.

The Company follows the development and the recommendations of the authorities and will, if necessary, update the information about the annual general meeting on the Company's website, www.xbrane.com.

Right to attend the annual general meeting and notice

Shareholders wishing to attend the annual general meeting must:

i) on the record date, which is Friday 8 May 2020, be registered in the share register maintained by Euroclear Sweden AB. Shareholders, whose shares are registered in the name of a nominee, must temporarily register the shares in their own name at Euroclear Sweden AB. Shareholders whose shares are registered in the name of a nominee must, no later than on Friday 8 May 2020, via their nominee, temporarily register the shares in their own name in order to be entitled to participate at the general meeting; and

ii) notify their participation at the general meeting no later than Friday 8 May 2020. Notice of participation at the general meeting shall be sent by regular mail to Xbrane Biopharma AB, Banvaktsvägen 22, 171 48 Stockholm or by e-mail to ir@xbrane.com. Upon notification, the shareholder should state their full name, personal identification number or corporate registration

number, address and telephone number, and, where applicable, details of representatives, proxy holders and advisors. A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the registration certificate or corresponding document ("**Registration Certificate**") shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. The proxy in original and the Registration Certificate, if any, must be available at the general meeting and a copy should well before the meeting be sent to the Company by regular mail to Xbrane Biopharma AB, Banvaktsvägen 22, 171 48 Stockholm or by e-mail to ir@xbrane.com, and should, in order to facilitate the entrance to the general meeting, be at the Company's disposal no later than on 8 May 2020. A form proxy will be available for downloading on the Company's website www.xbrane.com.

Advance voting

The shareholders may exercise their voting rights at the general meeting by voting in advance, so called postal voting in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. The Company encourages the shareholders to use this opportunity in order to minimize the number of participants attending the general meeting in person and thus reduce the spread of the infection.

A special form shall be used for advance voting. The form is available on www.xbrane.com. A shareholder who is exercising its voting right through advance voting do not need to notify the Company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be submitted to the Company no later than on Friday 8 May 2020. The completed and signed form shall be sent to the address stated under "Right to attend the annual general meeting and notice" above. A completed form may also be submitted electronically and is to be sent to ir@xbrane.com. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The same apply for shareholders voting in advance by proxy. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid.

Further instructions and conditions is included in the form for advance voting.

Proposed agenda:

1. Opening of the meeting and election of the chairman of the general meeting
2. Preparation and approval of voting list
3. Approval of the agenda
4. Election of one or more persons to certify the minutes.
5. Determination of whether the general meeting has been duly convened
6. Presentation of the annual report and auditor's report and the group annual report and the group auditor's report.

7. Resolutions regarding
 - a. Adoption of income statement and balance sheet and the group income statement and the group balance sheet
 - b. the profit or loss of the company in accordance with the adopted balance sheet
 - c. discharge from liability for the board of directors and the CEO
8. Determining the number of directors and auditors
9. Determining the fees for the board of directors and the auditor.
10. Election of board of directors and auditor
11. Resolution regarding adoption of principles for the nomination committee
12. Resolution regarding guidelines for the determination of remuneration to senior executives
13. Resolution regarding long term share based incentive program (LTIP 2020)
14. Resolution to issue warrants for subsequent transfer in order to secure delivery of shares in the Company's long term share based incentive programs
15. Resolution regarding approval of transfer of warrants
16. Resolution regarding authorization for the board to issue shares, warrants and/or convertibles
17. Closing of the meeting

Proposals for resolutions:

Item 1: Opening of the meeting and election of the chairman of the general meeting

The nomination committee proposes that Joakim Falkner, attorney at law, Baker & McKenzie Advokatbyrå, is appointed as chairman of the general meeting.

Item 7.b: Resolution regarding decision regarding the profit or loss of the company in accordance with the adopted balance sheet

The board of directors proposes that all funds available for the annual general meeting shall be carried forward.

Item 8-10: Determining the number of directors and auditors, determination of fees to the board of directors and to the auditors, and election of the board of directors and auditor

The nomination committee proposes the following:

The nomination committee proposes that the board shall consist of seven directors. The nomination committee further proposes that the number of auditors shall be one registered audit firm.

The nomination committee proposes that the remuneration is to be SEK 2,800,000 in total, including remuneration for committee work (SEK 2,800,000 previous year), and shall be paid to the board of directors and the members of the established committees in the following amounts:

- SEK 300,000 (SEK 300,000) for each of the directors and SEK 400,000 (SEK 400,000) to the chairman;
- SEK 50,000 (SEK 50,000) for each of the members of the remuneration committee and SEK 100,000 (SEK 100,000) to the chairman of the committee; and

- SEK 50,000 (SEK 50,000) for each of the members of the audit committee and SEK 100,000 (SEK 100,000) to the chairman of the committee; and
- SEK 50,000 (SEK 50,000) for each of the members of the transaction committee and SEK 100,000 (SEK 100,000) to the chairman of the committee.

The nomination committee proposes that the auditor shall be entitled to a fee in accordance with approved invoice.

The nomination committee proposes the re-election of Giorgio Chirivi, Peter Edman, Eva Nilsagård, Ivan Cohen-Tanugi, Anders Tullgren and Karin Wingstrand. It is also proposed that Mats Thorén is appointed as new director. Furthermore, Anders Tullgren is proposed to be re-elected as chairman of the board of directors. Maris Hartmanis has declined re-election.

Re-election of the registered audit firm KPMG AB for the period until the end of the next annual general meeting. KPMG AB has announced its appointment of Duane Swanson as main responsible auditor.

Independence in accordance with the Swedish Corporate Governance Code

After an assessment of the proposed directors' independence, the nomination committee has found that its proposal for the composition of the board of directors of the Company fulfills the requirements stipulated in the Swedish Corporate Governance Code. All proposed directors are considered independent of the Company, the management of the Company and the Company's major shareholders.

Further information regarding the new proposed director

Mats Thorén

Education and background

Mats joins the Company's board of directors with over 20 years of experience from the financial markets side of the Life Science sector. Mats was a top-ranked equity analyst with SEB in the early 2000's covering pharmaceutical, biotechnology and medical technology across the Nordic region. Later, Mats became the Head of Swedish Healthcare for the Corporate Finance department of Handelsbanken Markets, participating in a number of public and private financing and M&A transactions. Switching over to the investment side of the sector, Mats co-founded and was a partner in Catella Healthcare and later an Investment Manager for Inter Life Science AB, part of Inter IKEA AB, as well as MedCap AB. During these years Mats was an integral part in a large number of investments, financings and exits. Today Mats manages his own firm focusing on investments. Previous board appointments include inter alia C-Rad AB, Cellartis AB, DuoCort Pharma AB and MIP Technologies AB. Mats received his education from the Stockholm School of Economics and the Karolinska Institute in Stockholm.

Current assignment

Mats is amongst others a board member of the listed companies Arcoma AB and Herantis Oy.

Year of birth: 1971

Nationality: Swedish

Direct or related person ownership in the Company: 4,000

The nomination committee's complete proposal and motivated opinion as well as further information regarding the directors proposed for re-election are available at the Company's website www.xbrane.com and will also be available in the annual report for 2019.

Item 11: Resolution regarding adoption of principles for the nomination committee

The nomination committee proposes that the following principles for the nomination committee are adopted. The principles are mainly the same as last year.

Role of the nomination committee

The Company shall have a nomination committee with the task of preparing and proposing decisions to the shareholders' meetings on electoral and remuneration issues and, where applicable, procedural issues for the appointment of the subsequent nomination committee. The nomination committee is to propose:

- the chairman of the annual general meeting;
- candidates for the post of chairman and other directors of the board;
- fees and other remuneration for board work to each director;
- fees to members of committees within the board;
- election and remuneration of the Company auditor; and
- principles for the nomination committee.

The nomination committee shall in its assessment of the evaluation of the board and in its proposal in particular take into consideration the requirement of diversity and breadth on the board and strive for equal gender distribution. Regardless of how they have been appointed, the members of the nomination committee are to promote the interests of all shareholders of the Company.

Members of the nomination committee

The nomination committee, which shall be appointed for the time until a new nomination committee has been appointed, shall consist of four members, of whom three shall be nominated by the Company's three largest shareholders with respect to voting power and the fourth shall be the chairman of the board. The chairman of the board shall as soon as reasonably practicable after the end of the third quarter, in an adequate manner, contact the three owner-registered largest shareholders, with respect to votes, according to the share register kept by Euroclear Sweden AB at that time and request that they, taken into consideration the circumstances, within a reasonable time which may not exceed 30 days, nominate in writing to the nomination committee that person whom the shareholder wishes to appoint as member of the nomination committee. If any of the three largest shareholders elects not to exercise their right to appoint a member of the nomination committee, the next shareholder in consecutive order shall be entitled to appoint a member of the nomination committee. In the case that several shareholders abstain their right to appoint a member of the nomination committee, the chairman of the board shall not be required to contact more than eight shareholders, unless its necessary in order to obtain a nomination committee consisting of a minimum of three members.

Unless otherwise agreed between the members, the chairman of the nomination committee shall be nominated by the largest shareholder. A member of the board shall never be the chairman of the nomination committee.

If a shareholder who has appointed a member of the nomination committee during the year ceases to be one of the Company's three largest shareholders, the member appointed by such shareholder shall resign from the nomination committee. Instead, a new shareholder among the three largest shareholders shall be entitled to independently and in its sole discretion appoint a member of the nomination committee. However, no marginal changes in shareholding and no changes in shareholding which occur later than three months prior to the annual general meeting shall lead to a change in the composition of the nomination committee, unless there are exceptional reasons.

If a member of the nomination committee resigns before the nomination committee has completed its assignment, for reasons other than set out in item 2.3, the shareholder who has appointed the member shall be entitled to independently and in its sole discretion appoint a replacement member. If the chairman of the board resigns from the board, his/her successor shall replace the chairman of the board also on the nomination committee.

A change in the composition of the nomination committee shall be published immediately.

Announcement of the nomination committee members

The chairman of the board shall ensure that the names of the members of the nomination committee, together with the names of the shareholders they have been nominated by, are published on the Company's website no later than six months before the annual general meeting.

If a member leaves the nomination committee during the year, or if a new member is appointed, the nomination committee shall ensure that such information, including the corresponding information about the new nomination committee member, is published on the website.

Proposals to the nomination committee

Shareholders shall be entitled to propose board members for consideration by the nomination committee. The nomination committee shall provide the Company with information on how shareholders may submit recommendations to the nomination committee. Such information shall be announced on the Company's website.

The chairman of the board of directors shall, as part of the work of the nomination committee, keep the nomination committee informed about the work of the board of directors, the need for particular qualifications and competences, etc., which may be of importance for the work of the nomination committee.

Proposals by the nomination committee

When preparing its proposals, the nomination committee shall take into account that the board of directors is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances. The directors shall collectively exhibit diversity and breadth of qualifications, experience and background. The nomination committee shall further strive for equal gender distribution.

The nomination committee shall provide the Company with its proposals for board members in such time that the Company can present the proposals in the notice of the shareholders' meeting where an election is to take place.

When the notice of the shareholders' meeting is issued, the nomination committee shall issue a statement on the Company's website explaining its proposals regarding the composition of the board of directors. The nomination committee shall in particular explain its proposal against the background of the requirement to strive for an equal gender distribution. The statement is also to include an account of how the nomination committee has conducted its work. In case a resigning managing director is nominated for the position of chairman of the board of directors, the nomination committee shall specifically explain the reasons for such proposal.

The nomination committee shall ensure that the following information on candidates nominated for election or re-election to the board of directors is posted on the Company's website at the latest when the notice to the shareholders' meeting is issued:

- year of birth, principal education and work experience;
- any work performed for the Company and other significant professional commitments;
- any holdings of shares and other financial instruments in the Company owned by the candidate or the candidate's related natural or legal persons;
- whether the nomination committee deems the candidate to be independent from the Company and its executive management, as well as of the major shareholders in the Company. If the committee considers a candidate independent regardless of the existence of such circumstances which, according to the criteria of the Swedish Code of Corporate Governance, may give cause to consider the candidate not independent, the nomination committee shall explain its proposal; and
- in the case of re-election, the year that the person was first elected to the board.

Account of the work of the nomination committee

All members of the nomination committee, where possible, and as a minimum one of the members, shall be present at the annual general meeting.

The nomination committee shall at the annual general meeting, or other shareholders' meetings where an election is to be held, give an account of how it has conducted its work and explain its proposals against the background of what is provided about the composition of the board as set out above. The nomination committee shall in particular explain its proposal against the background of the requirement set out above to strive for an equal gender distribution.

Fees and Costs

No fee shall be payable by the Company to any member of the nomination committee.

The Company shall bear all reasonable costs associated with the work of the nomination committee. Where necessary, the nomination committee may engage external consultants to assist in finding candidates with the relevant experience, and the Company shall bear the costs for such consultants. The Company shall also provide the nomination committee with the human resources needed to support the nomination committee's work.

Confidentiality

A member of the nomination committee may not unduly reveal to anyone what he/she has learned during the discharge of his/her assignment as a nomination committee member. The duty of confidentiality applies to oral as well as written information and applies also after the assignment has terminated.

A nomination committee member shall store all confidential materials that he/she receives by reason of the nomination committee assignment in a manner so that the materials are not accessible to third parties. After the assignment has terminated, a nomination committee member shall hand over to the chairman of the board all confidential materials that the nomination committee member has received in his/her capacity as nomination committee member and still has in his/her possession, including any copies of the materials, to the extent reasonably possible taking into account inter alia technical aspects.

The chairman of the nomination committee may make public statements about the work of the nomination committee. No other nomination committee member may make statements to the press or otherwise make public statements regarding the Company and the Company group unless the chairman of the board has given permission thereto.

Item 12: Resolution regarding guidelines for the determination of remuneration to senior executives

Upon recommendation of the remuneration committee, the board of directors proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

General

The guidelines shall apply to remuneration that has been agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to remunerations that has been resolved by the general meeting and any remuneration through shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options shall therefore be resolved by the general meeting.

These guidelines apply to the CEO and other senior executives in the company group and all other remuneration to members of the board except fees to the board of directors.

Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

The guidelines promotion of the Company's business strategy, long-term interest and sustainability

The Company's strategy is to develop and manufacture high quality and cost-effective biosimilars based on unique platform technology and leading expertise. The Company is focused on difficult-to-manufacture and niche pharmaceutical products with limited competition from other biosimilar

developers. Based on its platform technology, the Company will have a significant competitive advantage in relation to originator drugs and other biosimilar companies by having the lowest production cost within each market. For more information regarding the Company's business strategy, please see www.xbrane.com/.

The guidelines shall contribute to the possibility to create conditions for the Company to retain and recruit competent and committed employees in order to successfully implement the Company's business strategy and meet the Company's long-term interests, including sustainability. The guidelines shall further stimulate an increased interest in the business and earnings development as a whole, and to increase the motivation for the senior executives and increase positive cohesion in the Company. The Guidelines shall also contribute to good ethics and corporate culture.

In order to achieve the Company's business strategy, the total annual remuneration must be market-based and competitive in the employment market in which the senior executive is situated and taking into account the individual's qualifications and experience and that exceptional performance must be reflected in the total remuneration, which these guidelines enable. The Company's ambition is that remuneration should be market-based in comparison with other biotech and Life Science companies listed on Nasdaq Stockholm, which are in a similar phase regarding maturity and size and have similar financial opportunities as the Company.

The Company has implemented long-term share-related incentive programs in 2017, 2018 and 2019, in which all senior executives and certain board members, respectively, have had the opportunity to participate. These programs have been resolved by each general meeting and are therefore excluded from these guidelines. The long-term share-related incentive program proposed by the board of directors to the annual general meeting 2020 to resolve on, or any other future share-related incentive program resolved by the general meeting, are excluded for the same reason. For information regarding performance criteria, terms and conditions, and costs for these programs, see information on the Company's website and in the Company's annual report.

Variable cash payments covered by these guidelines are intended to promote the Company's business strategy and long-term interests, including its sustainability.

The forms of remuneration etc.

Remuneration may consist of fixed cash salary, possible variable cash compensation, other customary benefits and pension. The total annual cash remuneration, including pension benefits, must be market-based and competitive in the employment market and in the work area in which the employee is situated, taking into account the individual's qualifications and experience and that outstanding achievements are to be reflected in the total remuneration. Fixed cash salary and variable cash remuneration shall be related to the executive's responsibility and authority. The fixed cash salary shall be revised annually.

The fulfillment of criteria for payment of variable cash compensation shall be measurable over a period of one year. The variable cash payment may amount to a maximum of 50 percent of the total fixed cash salary during the measurement period for such criteria.

Additional variable cash compensation may be payable in exceptional circumstances, provided that such arrangements are time-limited and made only at the individual level. The purpose of such arrangements must be to recruit or retain executives, or as compensation for extraordinary work in addition to the person's ordinary duties. Such compensation shall not exceed an amount corresponding to 50 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the board of directors on proposal from the remuneration committee.

Pension benefits, including health insurance, must be defined in contribution schemes with respect to the CEO. Variable cash payments shall not entitle to pension. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, must be defined in contribution schemes unless the employee is covered by defined-benefit pensions under compulsory collective agreement provisions. Variable cash compensation must be pension-based insofar as it is compelled by compulsory collective agreement provisions applicable to the senior executive. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary.

Other benefits may include: life insurance, health insurance and car benefit. Such benefits may amount to a maximum of 10 percent of the fixed annual cash salary.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may amount to a maximum of 30 percent of the fixed annual cash salary.

If a member of the board of directors performs work on behalf of the Company, in addition to the work of the board, consultancy fees and other remuneration for such work may be payable after special resolution by the board of directors, after preparation of the remuneration committee. Such compensation shall be constructed in accordance with these guidelines.

Termination of employment

Upon termination of employment, the notice period may not exceed six months. Fixed cash salary during the notice period and severance pay may not, in total, exceed an amount corresponding to the fixed cash salary for one year. In the event of termination by the senior executive, the period of notice may not exceed six months.

In addition, compensation for any commitment to restrict competition may be paid. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former executive has no right to severance pay. Compensation shall amount to a maximum of 60 percent of the monthly income at the time of termination and shall be payable during the period subject to the restriction of competition, which shall not exceed 24 months after termination of employment.

Criteria for payment of variable cash payment

The variable cash remuneration shall be based on and be related to the outcome in relation to predetermined and measurable concrete defined objectives based on the Company's business strategy and the long-term business plan approved by the board of directors. The objectives may include financial objectives, either at the group or unit level, operational objectives as well as objectives for sustainability and social responsibility, employee engagement or customer satisfaction, as well as individualized quantitative or qualitative goals. These objectives must be established and documented annually in order to promote the long-term development of executives. The Company has established financial targets and KPI's based on strategic and business-critical initiatives and projects that ensure fulfillment in accordance with the business plan and business strategy for a sustainable continued business and safeguarding the Company's long-term interests.

Conditions for variable cash compensation should be designed so that the board of directors, if particularly difficult economic conditions occur, has the option of limiting or neglecting to issue variable remuneration if such a resolution is deemed unreasonable and incompatible with the Company's responsibility vis-à-vis the shareholders. For annual bonuses, there should be the option of limiting or neglecting to pay variable remuneration, if the board of directors deems it justified for other reasons. The Company must be able to recover, in full or in part, variable cash compensation according to law or agreement subject to any restrictions that may follow.

When the measurable period for fulfillment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The board of directors, after preparation from the remuneration committee, is responsible for the assessment of variable cash remuneration to the CEO and the CEO is responsible for the assessment of variable cash remuneration to other executives. With respect to financial targets the evaluation shall be based on the Company's latest publicly available financial information.

Salary and terms of employment for employees

In preparing the board of directors' proposal for these guidelines, salary and terms of employment for the Company's employees have been taken into account, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and increase over time, when the remuneration committees and the boards of directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follows from the guidelines.

Preparation, decision-making etc.

Questions regarding cash salary and variable cash remuneration to the CEO and other senior executives are prepared by the remuneration committee and resolved by the board of directors and, where applicable, the CEO.

The remuneration committee shall also prepare the board of directors' resolution on matters regarding remuneration principles for senior executives, including guidelines for remuneration to senior executives. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration for senior executives during the year, and follow and evaluate the application of these guidelines for remuneration to senior executives as well as

current remuneration structures and remuneration levels in the Company. At the board of directors preparations of and resolutions on remuneration-related matters, the CEO or other members of the executive management are not present, insofar as they are affected by the resolutions.

The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

Deviations from the guidelines

The board of directors shall have the right to deviate from the above guidelines if the board of directors considers that, in a particular case, there are special reasons which justify it and an exception is necessary to meet the Company's long-term interests and sustainability or to ensure the Company's financial viability. Such deviation shall also be approved by the remuneration committee. An agreement that deviates from the guidelines may be renewed, but any such agreement should be limited in time and not exceed 24 months or an amount that is twice as high as the compensation that the person concerned would have received without any agreement.

Information on deviations from the remuneration guidelines adopted by the annual general meeting for 2019

No deviations has occurred.

Information regarding remuneration

For information on remuneration please refer to the annual report for 2019, which is available on the Company's website www.xbrane.com.

Item 13: Resolution regarding long term share based incentive program (LTIP 2020)

Upon recommendation of the remuneration committee, the board of directors in the Company proposes that the annual general meeting resolves on a long term share based incentive plan ("LTIP 2020"). The LTIP 2020 is proposed to include in total 41 senior executives, employees and other key persons within the company group, where 33 persons who are or will be employed by the Company and eight persons are employed by the subsidiary Primm Pharma s.r.l. (the "Subsidiary"). The participants in the LTIP 2020 are required to personally invest in shares in the Company. These shares may either be shares already acquired during 2020 or shares purchased on the market in connection with the LTIP 2020. The participants will thereafter be granted, free of charge, retention and performance share rights on the terms stipulated below, which may entitle to shares in the Company depending on the Company's total shareholder return. Entitlement to shares is further conditional upon the participant remaining employed by the company group and that all his/her investment shares are retained under the LTIP 2020 during the vesting period.

Participants in LTIP 2020

LTIP 2020 includes in total 41 senior executives, employees and other key persons within the company group, where 33 persons who are or will be employed by the Company and eight persons are employed by the Subsidiary (the "**Executives**")

The personal investment, allotment of Share Rights and Vesting Period

To participate in the LTIP 2020, an Executive must own shares in the Company ("**Investment Shares**") and allocate these to the LTIP 2020. These Investment Shares can either be shares already acquired during 2020 (provided that they have not already been allocated to an on-going incentive plan) or shares purchased for the purpose to participate in the LTIP 2020. The Executives are offered to invest in maximum 1,500 Investment Shares to the LTIP 2020 as from 1 June 2020 up to and including 31 January 2021. The Executives will, free of charge, be granted a certain number of share rights (each a "**Share Right**") per Investment Share. The Share Rights will be granted to the Executive following the annual general meeting 2020 in connection with, or shortly thereafter, an agreement is made between the Executive and the Company concerning participation in the LTIP 2020. Each Share Right will if vested, entitle to one share in the Company at a subscription price corresponding to the quota value of the shares. Allotment of shares under the LTIP 2020 shall be made following the annual general meeting held in 2023. The time period that runs from the date the incentive plan agreement is entered into, and which ends on the day of the annual general meeting 2023, is referred to as the "**Vesting Period**".

In the event delivery of shares under the LTIP 2020 cannot be achieved at reasonable costs, with reasonable administrative efforts or due to market conditions, participants may instead be offered a cash-based settlement.

Conditions for Share Rights

The Share Rights are divided into Series A Rights (matching right), Series B Rights, Series C Rights, Series D Rights. Vesting of these Share Rights is dependent on the degree of fulfillment of certain financial and operational performance conditions during the measurement period 1 January 2020 – 31 December 2022 (the "**Measurement Period**"). Series A Rights are allotted to the Executives as matching rights, one right for each Investment Share, provided that they remain employed by the company group and that all their Investment Shares are retained under the LTIP 2020 during the Vesting Period.

The financial and operational performance conditions relate to:

Series B: The total return on the Company's shares during the Measurement Period exceeding 100 percent. Each Investment Share entitles to 1.0 Share Right of Series B.

Series C: The total return on the Company's shares during the Measurement Period exceeding 150 percent. Each Investment Share entitles to 1.0 Share Right of Series C.

Series D: The total return on the Company's shares during the Measurement Period exceeding 100 percent. Each Investment Share entitles to 1.0 Share Right of Series D.

The following maximum number of Investment Shares may be invested in the LTIP 2020 and the following maximum number of Share Rights may be allotted to Executives:

- **Executives** may invest in maximum 1,500 Investment Shares within the LTIP 2020. Each Investment Share entitles to a maximum of 1.0 Share Right of Series A, 1.0 Share Right of Series B, 1.0 Share Right of Series C and 1.0 Share Right of Series D, which entitles the

Executive to a maximum allotment of 4.0 Share Rights at full allocation. In case not all Executives invest their full part of Investment Shares no later than on 31 January 2021, the other Executives are entitled to invest in additional Investment Shares no later than on 31 January 2021, which shall entitle to the same right to Share Rights as set out above. There will be no guaranteed allocation in connection with an investment in additional Investment Shares. In case of over notification by the above persons covered by the allotment principles, the allotment shall be made as follows. First, allocation shall be made pro rata in relation to the number of additional invested Investment Shares. Secondly, allocation shall be made through the drawing of lots executed by the board of directors.

The board of directors intends to disclose the outcome of the LTIP 2020 in the annual report of 2023.

Further, the following conditions shall apply for all Share Rights:

- The Share Rights are granted free of charge.
- Entitlement to shares (based on Share Rights) is further conditional upon the Executive remaining employed by the company group and that all his/her Investment Shares are retained under the LTIP 2020 during the Vesting Period.
- The Executives are not entitled to transfer, pledge or dispose of the Share Rights or exercise any shareholders' rights regarding the Share Rights during the Vesting Period.
- So-called "good leaver" and "bad leaver" provisions will be agreed with the Executives, tailored to incentivize the Executives to stay with the company group.
- The number of shares that may be allotted will be subject to recalculation in case the Company resolves on a bonus issue with issuance of new shares, split of shares or reverse split of shares, issue of new shares with preferential rights for the shareholders or similar corporate actions.
- The board of directors are granted the right to terminate or adjust the program in case of a takeover bid or similar event.
- The Executives' maximum profit per Share Right is SEK 450 (corresponding to 14 times the closing price of the Company's shares on Nasdaq Stockholm on 14 April 2020 (rounded to closest SEK 1)). If the value of the Company's share (including any dividends paid and other adjustments) exceeds SEK 450 at vesting, the number of shares that each Share Right entitles the Executive to receive will be reduced correspondingly.

Scope of LTIP 2020 and dilution

As a result of the LTIP 2020, a maximum of 246,000 shares in the Company may be allotted. The dilution impact on the total share capital and voting powers in the Company will as a maximum be

app. 1.57 percent, based on the number of shares in the Company currently outstanding. The dilution effect of LTIP 2020 including all current issued warrants, is estimated to approximately 4.35 percent of the total number of shares and votes in the Company, provided that full subscription warrants and exercise of all issued warrants occurs.

Hedging and delivery of shares under the LTIP 2020

The board of directors proposes that the annual general meeting resolves to issue warrants in accordance with item 14, in order to secure delivery of shares under LTIP 2020. The warrants shall be subscribed for by the Subsidiary, any other group company or a third party, which shall undertake to transfer the warrants to the Executives to cover the number of shares that the Share Rights may entitle.

The arrangement set out above if a third party is used to secure the obligation of the Company to deliver shares under the plan, if applied, will mean that the third party will deliver the warrants or shares (after exercise of the warrants) to the Executives in the LTIP 2020 once the shares are vested. In the meantime, while the warrants, or, if applicable, shares are in the third party's custody, the Company will pay interest on the cost for purchasing the shares. Any dividend on the shares during such period will be refunded to the Company. Any remaining shares not delivered to the Executives will be sold on Nasdaq Stockholm. Any profit will be paid to the Company, who also will carry the risk of potential losses. As an alternative, the shares in the swap arrangement may be rolled-over to future LTIP programs.

Estimated costs, effects on important key ratios and value of LTIP 2020

The cost for the LTIP 2020 will be charged to the income statement during the Vesting Period. Based on the assumptions of a maximum participation and full vesting of the Share Rights, the cost for the LTIP 2020, including social security costs, is estimated to approximately SEK 4.4 million. Social security costs will also be recorded as a personnel expense in the income statement by current provisions.

The cost of LTIP 2020 will be recognized as an expense during the period of the program and will be affected by the degree of participation, probable outcome on performance shares and share price. Important key ratios that will be affected include operating profit, EBITDA, earnings for the period, earnings per share and equity ratio.

For information on other incentive programs refer to the annual report for 2019.

Preparation and administration

The board of directors and the remuneration committee shall be responsible for preparing the detailed terms and conditions of the LTIP 2020 between the Company and the Executives, within the scope of resolved terms and guidelines. To this end, the board of directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The board of directors may also make other adjustments, including a right to resolve on a reduced allotment of shares, if significant changes in the company group, or its operating environment, or in case of a takeover bid, would result in a situation where the resolved terms and conditions of the LTIP 2020 no longer serve their purpose. The board of directors' possibility to make such adjustments does not include

the grant of continued participation for Executives in the Company's long-term incentive programs after the termination of their respective employments. The board of directors, or a committee established by the board of directors for these purposes, shall further be responsible for the administration of the LTIP 2020.

New persons in the Company or the Subsidiary that have not yet commenced their employment at the time when notification to participate in the LTIP 2020 at the latest shall be given, may, upon the condition that the employment commences during 2020, be offered to participate in the LTIP 2020 if the board of directors deems it to be in line with the purpose of the LTIP 2020.

The rationale for the proposal

The purpose of the LTIP 2020 is to allow the Company to attract competent employees and to encourage these to stay with the company group, and to encourage them to drive shareholder value. The LTIP 2020 has been designed based on the view that it is desirable that employees and other key persons within the group are shareholders in the Company. Participation in the LTIP 2020 requires that the participants own shares in the Company, which either are shares already held or shares purchased on the market in connection with the LTIP 2020. By offering an allotment of performance rights which are based on profits and other retention and performance based conditions, the participants are rewarded for increased shareholder value. Linking the employees' remuneration to the Company's result and value creation will also promote continued loyalty to the Company and thereby long-term value. Against this background, the board of directors is of the opinion that the adoption of the LTIP 2020 as set out above will have a positive effect on the company group's future development and thus be beneficial for both the Company and its shareholders.

Preparation of the proposal

The LTIP 2020 has been prepared by the Company's remuneration committee in consultation with external advisors and major shareholders. The proposal for LTIP 2020 is supported by major shareholders in the Company.

Item 14: Resolution to issue warrants for subsequent transfer in order to secure delivery of shares in the company's long term share based incentive programs

The board of directors proposes of the Company that the annual general meeting shall resolve to issue a maximum of 246,000 warrants, which may result in a maximum increase in the Company's share capital of SEK 55,149,77. The warrants shall entitle to subscription of new shares in the Company. The following terms shall apply to the issuance:

The warrants may, with deviation from the shareholders' priority right, be subscribed for by the subsidiary Primm Pharma s.r.l. (the "**Subsidiary**"), any other group company or a third party who undertakes to deliver warrants or shares in accordance with 13.

The warrants are issued at no consideration and shall be subscribed for through a separate subscription list payment no later than on 15 June 2020. The board has the right to extend the time for subscription.

Each warrant entitles to subscription of one new share in the Company during the period from registration up to and including 30 June 2023 or the earlier date set forth in the terms for the warrants.

The subscription price shall be at every time current quota value rounded upwards to two decimals.

A new share subscribed for by exercise of a warrant has a right to dividends as of the first record day for dividends following registration of the new share issue with the Companies Registration Office and after the share has been registered in the share register maintained by Euroclear Sweden AB.

The purpose of the issuance, and deviation from the shareholders' preferential rights, is within the LTIP 2020 to secure delivery of shares to the participants of the program.

The complete terms and conditions for the warrants are available no later than three weeks prior to the meeting, including conditions regarding re-calculation, in certain cases, of the subscription price and the number of shares a warrant entitles to.

The board of directors or anyone appointed by the board of directors is given the right to make the adjustments necessary in connection with the registration of the resolution at the Companies Registration Office and possibly Euroclear Sweden AB.

Item 15: Resolution regarding approval of transfer of warrants

The board of directors proposes that the annual general meeting resolves to approve that the Subsidiary, any other group company or a third party may transfer a maximum of 246,000 warrants in the Company to participants of LTIP 2020 or previous share saving programs, or in any other matter dispose of the warrants to fulfill the obligations under LTIP 2020 or previous share saving programs.

Transfer of the warrants shall be made at no consideration.

The number of the warrants that may be transferred to the participants of LTIP 2020 and other share saving programs shall be subject to recalculation in the event of an intervening bonus issue, reversed split, split, rights issue with preemptive rights for the shareholders and/or other similar events. Transfer of warrants shall be made at the time and according to the other terms pursuant to which participants in the LTIP 2020 and other saving programs are entitled to receive shares. The reason for deviating from the shareholders' preferential right is that the transfer of warrants is part of the execution of the LTIP 2020. Therefore, the board of directors is of the opinion that the transfer of warrants in accordance with the proposal is to the benefit of the Company.

A general meeting in the Subsidiary or other group company shall also approve the subsequent transfers of warrants as set out above.

Item 16: Resolution regarding authorization for the board to issue shares, warrants and/or convertibles

The board of directors of the Company proposes that the annual general meeting resolves to

authorize the board of directors during the period up until the next annual general meeting, on one or more occasions, to resolve to issue shares, convertibles and/or warrants, with or without preferential rights for the shareholders, corresponding to not more than 20 percent of the share capital of the Company after completed issuances based on the number of shares at the time of the annual general meeting, to be paid in cash, in kind and/or by way of set-off.

The purpose for the board to resolve on issuances with deviation from the shareholders preferential rights in accordance with the above is primarily for the purpose to broaden the shareholder base, raise new capital to increase flexibility of the Company or in connection with acquisitions. If issuances are carried out with deviation from the shareholders' preferential rights, such issue shall be made in accordance with customary market terms. If the board of directors finds it suitable in order to enable delivery of shares in connection with a share issuance as set out above it may be made at a subscription price corresponding to the shares quota value.

The board of directors or anyone appointed by the board of directors is given the right to make the adjustments necessary in connection with the registration of the resolution at the Companies Registration Office.

Number of shares and votes

The total number of shares in the Company as of the date hereof amounts to 15,415,199 shares, with a corresponding number of votes. The Company holds no own shares.

Majority requirements

A resolution in accordance with items 14 and 15 requires support by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting.

A resolution in accordance with item 16 requires support by shareholders holding not less than two-thirds of both the shares voted and of the shares represented at the general meeting.

Further information

Copies of accounts, auditor statement and proxy form are available at least three weeks in advance of the annual general meeting. The complete proposals and other documents that shall be available in accordance with the Swedish Companies Act are available at least three weeks in advance of the meeting. All documents are available at the Company at Banvaktsvägen 22 in Solna and at the Company's website www.xbrane.com in accordance with the above and will be sent to shareholders who request it and provide their e-mail or postal address. The nomination committee's complete proposal regarding election of directors including the statement on the nomination committee's proposal regarding the board of directors are available on the Company's web site www.xbrane.com as from today and will be sent to shareholders who request this report and provide their e-mail or postal address.

The shareholders hereby notified regarding the right to, at the annual general meeting, request information from the board of directors and managing director according to Ch. 7 § 32 of the Swedish Companies Act.

Processing of personal data

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammorengelska.pdf>.

Stockholm in April 2020

Xbrane Biopharma AB

The board of directors

Contacts

Martin Åmark, CEO/ IR

M: +46 (0) 763-093 777

E: martin.amark@xbrane.com

Susanna Helgesen, CFO

M: +46 (0) 708-278 636

E: susanna.helgesen@xbrane.com

About Us

Xbrane is a commercial phase Swedish biopharmaceutical company that develop and produces biosimilars. Xbrane has a patented protein production platform for development of biosimilars and world leading expertise in biosimilars. Xbrane's headquarter is located in Solna outside of Stockholm and the company's in-house research and development facilities are in Sweden and Italy. Xbrane is listed at Nasdaq Stockholm since September 2019 with the ticker XBRANE. For more information please visit www.xbrane.com.

Attachments

[Notice of annual general meeting in Xbrane Biopharma AB](#)