



Stockholm, Sweden

3 November 2020

## Extraordinary General Meeting in Oncopeptides AB (publ)

The shareholders in Oncopeptides AB (publ), reg. no. 556596-6438, with registered office in the municipality of Stockholm, ("Oncopeptides" or the "Company") are hereby given notice to attend the Extraordinary General Meeting on Friday 4 December 2020.

Due to the extraordinary situation resulting from the covid-19 pandemic, Oncopeptides' Extraordinary General Meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. No meeting with the possibility to attend in person or to be represented by a proxy will take place. Hence, the Extraordinary General Meeting will be held without physical presence.

Oncopeptides welcomes all shareholders to exercise their voting rights at the Extraordinary General Meeting through advance voting as described below. Information on the resolutions passed at the Extraordinary General Meeting will be published on 4 December 2020 as soon as the result of the advance voting has been finally confirmed.

The shareholders may request in the advance voting form that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of advance voting. Such general meeting shall take place if the Extraordinary General Meeting so resolves or if shareholders with at least one tenth of all shares in the company so requests.

### Right to participate and notice

Shareholders who wish to participate at the Extraordinary General Meeting, through advance voting, must be entered in the share register of the Company, kept by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation), on Thursday 26 November 2020 and must notify their participation by casting their advance vote to the Company no later than on Thursday 3 December 2020. For advance voting, see further information below.

### Nominee registered shares

In order to be entitled to participate at the Extraordinary General Meeting, through advance voting, shareholders who have their shares registered in the name of a nominee must temporarily re-register the shares in their own name. Shareholders who wish to make such re-registration, so-called voting rights registration, must make such request with their nominee well in advance of Monday 30 November 2020, at which time the re-registration must have been made.

### Advance voting

The shareholders may exercise their voting rights at the Extraordinary General Meeting only by voting in advance, so-called postal voting in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on [www.oncopeptides.com](http://www.oncopeptides.com). The advance voting form is considered as the notification of attendance to the Extraordinary General Meeting.

The completed voting form must be submitted to Oncopeptides no later than Thursday 3 December 2020. The completed and signed form shall be sent to Oncopeptides AB (publ), Luntmakargatan 46, SE-111 37 Stockholm, Sweden. A completed form may also be submitted by e-mail and is to be sent to [lisa.andersson@oncopeptides.com](mailto:lisa.andersson@oncopeptides.com). If the shareholder votes in advance by proxy, a power of attorney shall be enclosed to the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

## **Proposed agenda**

1. Opening of the Extraordinary General Meeting;
2. election of chairman of the Extraordinary General Meeting;
3. approval of the agenda;
4. election of one or two persons to approve the minutes;
5. preparation and approval of voting list;
6. determination as to whether the Extraordinary General Meeting has been duly convened;
7. resolution on the introduction of a long term incentive program for the Company's employees in the US;
  - a. Proposal for resolution on adoption of a long term incentive program for the Company's employees in the US
  - b. Proposal regarding issue of warrants
  - c. Proposal regarding equity swap agreement with a third party
  - d. Proposal regarding use of warrants issued in the Company's other incentive programs;
8. ending of the Extraordinary General Meeting.

### **Election of chairman of the Extraordinary General Meeting (item 2)**

The board of directors has proposed that Johan Winnerblad from the law firm Vinge, or the person proposed by the board of directors if he has an impediment to attend, is elected chairman of the Extraordinary General Meeting.

### **Election of one or two persons to approve the minutes (item 4)**

Tomas Nygren, Stiftelsen Industrifonden and Marianne Nilsson, Swedbank Robur, or if one or both of them have an impediment to attend, the person or persons instead appointed by the board of directors, are proposed to be elected to approve the minutes of the Extraordinary General Meeting together with the chairman. The task of approving the minutes of the Extraordinary General Meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the Extraordinary General Meeting.

### **Preparation and approval of voting list (item 5)**

The voting list proposed for approval is the voting list drawn up by Advokatfirman Vinge on behalf of Oncopeptides, based on the Extraordinary General Meeting's share register and advance votes received, as verified and recommended by the persons approving the minutes of the Extraordinary General Meeting.

### **Resolution on the introduction of a long term incentive program for the Company's employees in the US (item 7)**

The Board of Directors proposes that the Extraordinary General Meeting resolves to implement a long term

performance based incentive program for employees in Oncopeptides in the US (“US Co-worker LTIP 2020”) in accordance with items 7a – 7b below. The resolutions under items 7a – 7b below are proposed to be conditional upon each other. Should the majority requirement for item 7b below not be met, the Board of Directors proposes that Oncopeptides shall be able to enter into an equity swap agreement with a third party in accordance with item 7c and resolutions under items 7a and 7c shall then be conditional upon each other. Further, the Board of Directors proposes, under item 7d, that the Extraordinary General Meeting resolves that warrants issued in the Company’s other incentive programs may be used under US Co-worker LTIP 2020, and that item 7d is conditional upon that 7a and 7b or 7a and 7c are adopted.

US Co-worker LTIP 2020 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting (“Share Awards”) that entitle to shares in Oncopeptides to be calculated in accordance with the principles stipulated below, however not more than 1,076,415 shares. As part of the implementation of US Co-worker LTIP 2020, not more than 1,076,415 warrants will be issued in accordance with item 7b below. The 1,076,415 warrants will cover delivery of shares to participants.

*Proposal regarding adoption of a long term incentive program for the Company’s employees in the US (item 7a)*

*The rationale for the proposal*

US Co-worker LTIP 2020 is intended for employees in Oncopeptides in the US hired or to be hired within the buildup of the US operation during 2019 and earlier, 2020 and 2021. Based on detailed benchmark material produced by Deloitte showing statistic and market practice from other start up oncology companies within the US, the Board of Directors of Oncopeptides believes that an equity and performance based incentive program, in line with market practice for peer companies within the US, is a vital part of an attractive and competitive remuneration package in order to attract, retain and motivate employees with great experience within the oncology field in Oncopeptides in the US, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders during the ongoing scale up of the Company’s commercial function and preparation for market introduction and the commercial launch of Melflufen in the US.

The Board of Directors of Oncopeptides believes that US Co-worker LTIP 2020 will create a strong alignment of the interests of the participants and the interests of the shareholders. US Co-worker LTIP 2020 is adapted to the current position and needs of Oncopeptides. The Board of Directors is of the opinion that US Co-worker LTIP 2020 will increase and strengthen the participants’ dedication to Oncopeptides’ operations, improve Company loyalty and that US Co-worker LTIP 2020 will be beneficial to both the shareholders and Oncopeptides.

*Conditions for Share Awards*

The following conditions shall apply for the Share Awards:

- The Share Awards shall be granted free of charge to the participants no later than twelve months after the Extraordinary General Meeting (whereof the main part as soon as practically possible after the Extraordinary General Meeting).
- The Share Awards shall vest after three years over the period from the date the Share Awards are allocated (“Grant Date”) up to and including the third anniversary of the Grant Date (the “Vesting Date”). In addition to this timely condition just stated, the Share Awards are subject to performance vesting based on the development of the Oncopeptides share price, in accordance with the vesting conditions below.
- The Share Awards are subject to performance vesting based on the development of the Oncopeptides share price from and including the Grant Date up to the Vesting Date. The development of the share price will be measured based on the volume weighted average price of

the Oncopeptides share on Nasdaq Stockholm for the 10 trading days immediately prior to the Grant Date and the 10 trading days immediately prior to the Vesting Date. In the event the price of Oncopeptides' share has thereby increased by more than 60 per cent, 100 per cent of the Share Awards shall vest, and should the share price have increased by 20 per cent, 33 per cent of such Share Awards shall vest. In the event of an increase of the share price of between 20 and 60 per cent, vesting of the Share Awards will occur linearly. Should the increase of the share price be less than 20 per cent, no vesting will occur.

- Shares on vested Share Awards shall be allocated as soon as practically possible after the Vesting Date after decision by the Board of Directors (with certain exceptions where the time of vesting may be accelerated). The earliest point in time at which shares on vested Share Awards can be delivered shall be the day falling immediately following the Vesting Date.
- Each vested Share Award entitles the holder to receive one share in Oncopeptides without any compensation being payable provided that the holder is still an employee of Oncopeptides at the relevant time of vesting. With some customary exceptions, vesting can occur even if the participant is no longer employed by Oncopeptides at the Vesting Date.
- The number of Share Awards will be re-calculated in the event that changes occur in Oncopeptides' equity capital structure, such as a bonus issue, merger, rights issue, share split or reverse share split, reduction of the share capital or similar measures.
- The Share Awards are non-transferable and may not be pledged.
- The Share Awards can be granted by the parent company as well as any other company within the Oncopeptides group.
- In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting Oncopeptides, the Share Awards will vest in their entirety upon completion of such transaction, whereupon the performance measures shall be based upon the share price in the public take-over offer.

#### *Allocation*

The Board of Directors shall resolve upon the allocation of Share Awards no later than twelve months after the Extraordinary General Meeting (whereof the main part as soon as practically possible after the Extraordinary General Meeting). All persons hired in the US business during 2019 and earlier, 2020 and 2021, excluding all members of the global senior management, can be granted Share Awards.

The principle for allocation is that each participant is granted a yearly allocation as a percentage of the base salary. In preparation of the proposal, market practice in the US for peer companies has shown that the percentage for allocation to employees already employed normally amount to 10 to 150 per cent of the yearly Base salary, whereby the proposal in US Co-worker LTIP 2020 is that the allocation is limited to 10 to 100 per cent of the yearly Base Salary. In addition, market practice in the US for peer companies has shown that the percentage for allocation to newly employed normally amount to 1.5 to 2.5 times the corresponding allocation to employees already employed, whereby the proposal in US Co-worker LTIP 2020 is that the allocation is limited to 1.5 times the yearly allocation for newly employed.

The number of Share Awards that shall be granted to each participant employed in 2019 and earlier shall equal not more than 10 to 100 per cent of one (1) yearly Base salary for such participant divided by the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days preceding the Grant Date.

The number of Share Awards that shall be granted to each participant employed in 2020 shall equal not more than 15 to 150 per cent of one (1) yearly Base salary for such participant divided by the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days preceding the Grant Date.

In any event, US Co-worker LTIP 2020 will comprise a total of Share Awards which, if all Share Awards are vested in accordance with the vesting conditions above, entitle to not more than 1,076,415 shares in Oncopeptides.

*Preparation, administration and the right to amend the terms of the Share Awards*

The Board of Directors is responsible for preparing the detailed terms and conditions of US Co-worker LTIP 2020, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions, including resolving on cash or other settlement if deemed favorable for Oncopeptides based on foreign tax regulations. The Board of Directors may also make other adjustments if significant changes in Oncopeptides or its environment would result in a situation where the adopted terms and conditions of US Co-worker LTIP 2020 no longer serve their purpose.

*Preparation of the proposal*

US Co-worker LTIP 2020 has been initiated by the Board of Directors of Oncopeptides and has been structured based on an evaluation of prior incentive programs, market practice for European (including Swedish) listed companies and taking into account also the market practice in the US to be enabling to attract suitable persons ahead of market introduction and commercial launch. US Co-worker LTIP 2020 has been prepared by the Remuneration Committee and reviewed by the Board of Directors. As a starting point, the preparation is based on detailed material, produced by Deloitte Biotech in the UK and US, based on available market data and market practice for peer companies in the US. Based on the conclusions, Deloitte has drafted individual allocation proposals for the respective participants on an individual level in line with market practice in the US for peer companies.

*Dilution*

The total number of Share Awards that can be allotted to the participants under US Co-worker LTIP 2020 is based on a fixed value amounting to 14.7 MUSD.

Assuming a share price at the time of allocation of Share Awards of SEK 150, US Co-worker LTIP 2020 will comprise not more than 861,132 shares in total, which corresponds to a dilution of approximately 1.2 per cent on a fully diluted basis. Taking into account also the shares which may be issued pursuant to the Company's previously implemented employee option programs Employee Option Program 2016/2023, Co-worker LTIP 2017, Co-worker LTIP 2018 and Co-worker LTIP 2019, as well as the Company's previously implemented incentive programs Board LTIP 2018, Board LTIP 2018.2, Board LTIP 2019 and Board LTIP 2020 for certain members of the Board of Directors, including potential realization of financial hedge related to social security costs ("Previously Implemented Programs"), the maximum dilution amounts to approximately 7.8 per cent on a fully diluted basis. If the Extraordinary General Meeting resolve in accordance with item 7d, the corresponding dilution will amount to approximately 7.3 per cent in total on a fully diluted basis, assuming a share price at the time of allocation of Share Awards of SEK 150.

The maximum number of shares that may be issued pursuant to an exercise of Share Awards in US Co-worker LTIP 2020 will however comprise of not more than 1,076,415 shares in total, corresponding to a share price at the time of allocation of Share Awards of SEK 120, which corresponds to a dilution of approximately 1.5 per cent on a fully diluted basis. Taking into account also the shares which may be issued pursuant to the Company's Previously Implemented Programs, the maximum dilution amounts to approximately 8.1 per cent on a fully diluted basis. If the Extraordinary General Meeting resolve in accordance with item 7d, the corresponding dilution will amount to approximately 7.6 per cent in total on a fully diluted basis.

The dilution is expected to have a marginal effect on the Company's key performance indicator "Earnings (loss)

per share”.

Information on Oncopeptides' existing incentive programs can be found in Oncopeptides' annual report for 2019, note 26, which is available on the Company's website, [www.oncopeptides.com](http://www.oncopeptides.com), and on the Company's website under “Remuneration”.

#### *Scope and costs of the program*

US Co-worker LTIP 2020 will be accounted for in accordance with “IFRS 2 – Share-based payments”. IFRS 2 stipulates that the Share Awards shall be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. Social security costs will be expensed in the income statement according to UFR 7 during the vesting period.

Assuming a share price at the time of allocation of Share Awards of SEK 150, an annual increase in the share price of 20 per cent and that the Share Awards at the Grant Date are valued in accordance with a Monte Carlo simulation, the average annual personnel cost for US Co-worker LTIP 2020 according to IFRS 2 is estimated to approximately SEK 26.4 million before tax. The average annual social security costs are estimated to approximately a total of SEK 1.1 million, based on the above assumptions and social security costs of 1.45 per cent. The average total annual cost for US Co-worker LTIP 2020 during the term of the program, including costs according to IFRS 2 and social security costs, is therefore estimated to approximately SEK 27.5 million.

The total cost of the US Co-worker LTIP 2020, including all social security costs, is estimated to amount to approximately SEK 82.3 million under the above assumptions.

The costs associated with US Co-worker LTIP 2020 are expected to have a marginal effect on Oncopeptides' key performance indicator “Expenses relating to R&D/operating expenses”.

#### *Delivery of shares under US Co-worker LTIP 2020*

In order to ensure the delivery of shares under US Co-worker LTIP 2020, the Board of Directors proposes that the Extraordinary General Meeting resolves to issue and use warrants in accordance with item 7b below.

#### *Proposal regarding issue of warrants (item 7b)*

In order to ensure the delivery of shares under US Co-worker LTIP 2020, the Board of Directors proposes that the Extraordinary General Meeting resolves to issue not more than 1,076,415 warrants, whereupon the Company's share capital may be increased by not more than approximately SEK 119,601.68. If the resolution under item 7d is adopted, the total number of warrants according to item 7b will be reduced with 400,000.

The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only vest with Oncopeptides Incentive AB, a wholly owned subsidiary of Oncopeptides AB (publ). The reason for the deviation from the shareholders' pre-emptive rights is the implementation of US Co-worker LTIP 2020. Oncopeptides Incentive AB shall be entitled to transfer the warrants to participants or a financial intermediary in connection with exercise.

The warrants shall be issued free of charge. The exercise price for subscription for shares based on the warrants shall correspond to the share's quota value.

#### *Proposal regarding equity swap agreement with a third party (item 7c)*

Should the majority requirement for item 7b above not be met, the Board of Directors proposes that the Extraordinary General Meeting resolves that US Co-worker LTIP 2020 shall instead be hedged so that

Oncopeptides can enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares of Oncopeptides to the participants.

**Proposal regarding use of warrants issued in the Company's other incentive programs (item 7d)**

Warrants have been issued by Oncopeptides under Co-worker LTIP 2017, 2018 and 2019, and Hedge program 2017/2024 (the “Programs”) for the purpose of hedging Oncopeptides’ social security costs under the incentive programs. Since it has been determined that 400,000 warrants issued under the Programs will not be required to cover social security costs under the Programs, the Board of Directors proposes that the 400,000 warrants may be used, together with the warrants that will be in accordance item 7b above, under US Co-worker LTIP 2020.

**Required majority**

A valid resolution in respect of issue of warrants (item 7b) and for a valid resolution in respect of use of warrants issued in the Company’s other incentive programs (item 7d) requires that the proposals are supported by shareholders holding at least nine-tenths of both the votes cast and the shares represented at the Extraordinary General Meeting.

**Documents**

The full proposed resolution according to item 7, the annual report for 2019, the Board of Directors’ reports and the auditor’s statements under the Swedish Companies Act (2005:551), will be made available at the Company’s website, [www.oncopeptides.com](http://www.oncopeptides.com), no later than Friday 13 November 2020 and at the premises of the Company, address Luntmakargatan 46, SE-111 37 Stockholm, Sweden, and will be sent free of charge to shareholders who so request and state their postal address or e-mail address.

**Information at the Extraordinary General Meeting**

The Board of Directors and the CEO shall, if requested by a shareholder, and if the Board of Directors’ believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of a matter on the agenda and the Company’s relation to other group companies. A request for such information shall be made in writing to Oncopeptides AB (publ), Luntmakargatan 46, SE-111 37 Stockholm, Sweden, or via e-mail to [lisa.andersson@oncopeptides.com](mailto:lisa.andersson@oncopeptides.com), no later than on 24 November 2020. The information will be made available at Oncopeptides AB (publ), Luntmakargatan 46, SE-111 37 Stockholm, Sweden and on [www.oncopeptides.com](http://www.oncopeptides.com) on 29 November 2020 at the latest. The information will also be sent, within the same period of time, to the shareholder who has requested it and stated its address.

**Number of shares and votes and information**

The number of shares and votes in Oncopeptides amounts to 67 770 683 at the date of the issue of this notice.

**Processing of personal data**

For information about how personal data is processed, it is referred to the privacy notice available at Euroclear’s webpage: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm in November 2020

The Board of Directors

**For further information, please contact:**

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This information was submitted for publication at 8.00 a.m. CET on 3 November 2020.

**About Oncopeptides**

Oncopeptides is a pharmaceutical company focused on the development of targeted therapies for difficult-to-treat hematological diseases. The company is focusing on the development of the lead product candidate melflufen, a first in class peptide-drug conjugate (PDC) that targets aminopeptidases and rapidly releases alkylating agents into tumor cells. Melflufen (INN melphalan flufenamide) is in development as a new treatment for the hematological malignancy multiple myeloma and is currently being tested in multiple clinical studies including the pivotal phase 2 HORIZON study and the ongoing phase 3 OCEAN study. Based on the results from the HORIZON study Oncopeptides has submitted a New Drug Application (NDA) to the U.S. Food and Drug Administration, FDA, for accelerated approval of melflufen in combination with dexamethasone for treatment of adult patients with triple-class refractory multiple myeloma. Oncopeptides' global Headquarters is in Stockholm, Sweden and the U.S. Headquarters is situated in Boston, Mass. The company is listed in the Mid Cap segment on Nasdaq Stockholm with the ticker ONCO. More information is available on [www.oncopeptides.com](http://www.oncopeptides.com).