

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

Minutes from the annual general meeting in Ascelia Pharma AB, Reg. No. 556571-8797, on 14 November 2019 at 11.00 a.m. in Malmö.

0. Opening of the meeting

The chairman of the board of directors, Peter Benson, opened the meeting and welcomed the shareholders.

1. Election of chairman of the meeting

The meeting resolved to elect lawyer Ola Grahn as chairman of the meeting. The chairman of the meeting should keep the minutes.

Furthermore, the meeting resolved that guests, primarily shareholders who have their shares trustee registered, shareholders who did not notify the company of their intention to participate in the meeting on time and certain employees, were allowed to attend the meeting as audience.

2. Preparation and approval of the voting list

A list of present shareholders, proxies, advisors and other present persons in accordance with **Schedule 1** was prepared.

The above-mentioned list of present shareholders, proxies, advisors and other present persons in accordance with Schedule 1 was approved as the voting list at the meeting.

3. Approval of the agenda

The meeting resolved to approve the agenda in accordance with the proposal from the board of directors as set out in the notice to attend the annual general meeting, **Schedule 2**.

4. Election of one or two persons who shall approve the minutes of the meeting

The meeting resolved that one person should approve the minutes of the meeting. Håkan Nelson was elected as such person to approve the minutes of the meeting.

5. Determination of whether the meeting was duly convened

It was noted that the notice to attend the annual general meeting, in accordance with the articles of association and the provisions of the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*), had been inserted in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) on 17 October 2019, that the notice to attend the annual general meeting had been available at the company's website since 14 October 2019, and that the advert regarding the notice to attend the annual general meeting had been inserted in Svenska Dagbladet on 17 October 2019.

The meeting was declared to be duly convened.

6. Address by the CEO

The CEO, Magnus Corfitzen, gave an address on the company's operations during the financial year 2018/2019 and the development for the period after the end of the financial year.

The shareholders were given the opportunity to ask questions to the CEO with regard to his address.

7. Submission of the annual report and the audit report and the consolidated annual report and consolidated audit report

The annual report and the audit report and the consolidated annual report and the consolidated audit report for the financial year 2018/2019 as well as the auditor's report in accordance with Chapter 8, Section 54 of the Swedish Companies Act on whether the guidelines adopted by the annual general meeting regarding remuneration to the senior executives have been complied with, were submitted.

In connection with the submission of the accounting documents, Carl Fogelberg from Öhrlings PricewaterhouseCoopers AB reported on the work of the auditors.

8. Resolutions regarding:

a. adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet

The meeting resolved to adopt the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet as stated in the above-mentioned annual report and consolidated annual report.

b. allocation of the company's profits in accordance with the adopted balance sheet

The meeting resolved – in accordance with the proposal from the board of directors as set out in the report from the board of directors – that no dividends are paid to the shareholders and that the available funds of SEK 255,690,178 are carried forward.

c. discharge of the members of the board of directors and the CEO from liability

The meeting resolved that the members of the board of directors and the CEO should be discharged from liability for the financial year 2018/2019.

It was noted that the members of the board of directors and the CEO did not participate in the resolution regarding their own discharge from liability.

9. Determination of the number of members of the board of directors and the number of auditors and deputy auditors

The member of the Nomination Committee, Håkan Nelson, presented the work of the Nomination Committee and all of the Nomination Committee's proposals.

The meeting resolved in accordance with the proposal from the Nomination Committee that the board of directors shall be composed of six ordinary board members for the period up until the end of the next annual general meeting.

Furthermore, the meeting resolved in accordance with the proposal from the Nomination Committee that one registered accounting firm shall be appointed as auditor for the period up until the end of the next annual general meeting.

10. Determination of remuneration for the members of the board of directors and auditors

The meeting resolved in accordance with the proposal from the Nomination Committee that an additional remuneration of SEK 70,000 shall be paid to Hele-

na Wennerström as remuneration for her work as chairman of the Audit Committee related to the company's initial public offering for the period since the annual general meeting 2018.

Provided that the meeting resolves to change the company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019, the meeting resolved in accordance with the proposal from the Nomination Committee that board remuneration for the period until the annual general meeting 2020 (i.e. a 6 month period) shall be paid with SEK 200,000 to the chairman of the board and with SEK 100,000 to each of the other board members who are not employed by the company. The meeting further resolved in accordance with the proposal from the Nomination Committee that remuneration for committee work shall be paid with SEK 50,000 to the chairman of the Audit Committee, and with SEK 12,500 to each of the other members of the Audit Committee.

Should the meeting not resolve to change the company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 30 June 2020, the meeting resolved in accordance with the proposal from the Nomination Committee that board remuneration for the period until the annual general meeting 2020 (i.e. a 12 month period) instead shall be paid with SEK 400,000 to the chairman of the board and with SEK 200,000 to each of the other board members who are not employed by the company. The meeting further resolved in accordance with the proposal from the Nomination Committee that remuneration for committee work in this case shall be paid with SEK 100,000 to the chairman of the Audit Committee and with SEK 25,000 to each of the other members of the Audit Committee.

Finally, the meeting resolved in accordance with the proposal from the Nomination Committee that remuneration for the auditor shall be paid in accordance with customary norms and approved invoice.

11. Election of members of the board of directors, chairman of the board of directors and auditors

The chairman of the meeting noted that information on the proposed members of the board of directors and their other assignments can be found in the Annual Report and on the company's website.

The meeting resolved in accordance with the proposal from the Nomination Committee to re-elect Peter Benson, Niels Mengel, Bo Jesper Hansen, René

Spogård, Helena Wennerström and Hans Maier as ordinary board members. The meeting further resolved to re-elect Peter Benson as chairman of the board.

Finally, the meeting resolved in accordance with the proposal from the Nomination Committee to re-elect Öhrlings PricewaterhouseCoopers AB as accounting firm. It was noted that Öhrlings PricewaterhouseCoopers AB had informed that the authorized public accountant Carl Fogelberg will continue to be appointed as the responsible auditor.

12. Resolution on instruction and charter for the Nomination Committee

The proposal from the Nomination Committee regarding an instruction and charter for the Nomination Committee in accordance with **Schedule 3** was presented by the chairman of the meeting.

The meeting thereafter resolved in accordance with the proposal in Schedule 3.

13. Determination of guidelines for remuneration to senior executives

The proposal from the board of directors regarding guidelines for remuneration to senior executives in accordance with **Schedule 4** was presented by the chairman of the meeting.

The meeting thereafter resolved in accordance with the proposal in Schedule 4.

14. Resolution on change of the company's financial year and thereto related amendment of the Articles of Association

The proposal from the board of directors regarding change of the company's financial year and thereto related amendment of the Articles of Association in accordance with **Schedule 5** was presented by the chairman of the meeting.

The meeting thereafter resolved in accordance with the proposal in Schedule 5. It was noted that the resolution was unanimous.

15. Resolution on authorization for the board of directors regarding new share issues

The proposal from the board of directors regarding an authorization for the board of directors to resolve to issue shares in accordance with **Schedule 6** was presented by the chairman of the meeting.

The meeting thereafter resolved in accordance with the proposal in Schedule 6. It was noted that the resolution was unanimous.

16. Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share saving program; (B) amendment of the Articles of Association; (C) authorization on a directed issue of series C shares; (D) authorization for repurchase of series C shares; and (E) resolution on transfer of own ordinary shares

The proposal from the board of directors regarding implementation of a long-term incentive program by way of (A) implementation of a performance-based share saving program; (B) amendment of the Articles of Association; (C) authorization on a directed issue of series C shares; (D) authorization for repurchase of series C shares; and (E) resolution on transfer of own ordinary shares in accordance with **Schedule 7**, as well as the statement from the board of directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act in accordance with **Schedule 8**, were presented by the chairman of the meeting.

The meeting thereafter resolved on implementation of a long-term incentive program by way of (A) implementation of a performance-based share saving program; (B) amendment of the Articles of Association; (C) authorization on a directed issue of series C shares; (D) authorization for repurchase of series C shares; and (E) resolution on transfer of own ordinary shares in accordance with the proposal in Schedule 7. It was noted that the resolution was unanimous.

17. Closing of the meeting

The chairman of the meeting declared the meeting closed.

In fide:

Confirmed by:

Ola Grahn
(Chairman of the meeting)

Håkan Nelson

Schedule 2

Malmö, 14 October 2019

Notice of Annual General Meeting of Ascelia Pharma AB

The shareholders in Ascelia Pharma AB, Reg. No. 556571-8797, are hereby invited to attend the annual general meeting (Sw. årsstämma) to be held at the premises of Setterwalls Advokatbyrå AB at Stortorget 23 in Malmö, Sweden on Thursday 14 November 2019 at 11.00 a.m.

Right to participate in the meeting and notice of participation

Shareholders wishing to attend the annual general meeting must:

- be registered in the company's share register kept by Euroclear Sweden AB (the Swedish Securities Register Center) as of Friday 8 November 2019; and
- no later than on Friday 8 November 2019, notify the company of their intention to participate in the annual general meeting by mail to Ascelia Pharma AB, att: Kristian Borbos, Per Albin Hanssons väg 41, SE-205 12 Malmö, Sweden, by e-mail to kb@ascelia.com or by phone +46 (0)735 179 113. The notice should specify the complete name of the shareholder, personal identity number or company registration number, the number of shares held by the shareholder, address, telephone number during work hours and, when applicable, information on the number of advisors (two at the most).

Trustee-registered shares

Shareholders, whose shares are trustee-registered, must, in order to be entitled to participate in the general meeting, temporarily register their shares in their own name in the share register kept by Euroclear Sweden AB. Such temporary re-registration of ownership must be implemented no later than as of Friday 8 November 2019, meaning that shareholders wishing for such re-registration must notify their trustee well in advance of this date.

Proxies etc.

Shareholders intending to participate by proxy must issue a written, signed and dated proxy. The validity term of the power of attorney may be at the longest five years if this is specifically stated. In case no validity term is stated, the power of attorney is valid for at the longest one year. Should the power of attorney be issued by a legal entity, a certified copy of a registration certificate (Sw. registreringsbevis) or equivalent document shall be presented at the meeting. In order to facilitate the preparations before the meeting, a copy of the power of attorney and other proof of authority should be attached to the notice of participation. A template power of attorney can be found at the company website (www.ascelia.com) and will be sent by mail to the shareholders who request it and state their address.

Proposed agenda

0. Opening of the meeting.
1. Election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons who shall approve the minutes of the meeting.

PRESS RELEASE



5. Determination of whether the meeting was duly convened.
6. Address by the CEO.
7. Submission of the annual report and the audit report and the consolidated annual report and consolidated audit report.
8. 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.
9. Determination of the number of members of the board of directors and the number of auditors and deputy auditors.
10. Determination of remuneration for the members of the board of directors and auditors.
11. Election of members of the board of directors, chairman of the board of directors and auditors.
12. Resolution on instruction and charter for the Nomination Committee.
13. Determination of guidelines for remuneration to senior executives.
14. Resolution on change of the company's financial year and thereto related amendment of the Articles of Association.
15. Resolution on authorization for the board of directors regarding new share issues.
16. Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share saving program; (B) amendment of the Articles of Association; (C) authorization on a directed issue of series C shares; (D) authorization for repurchase of series C shares; and (E) resolution on transfer of own ordinary shares.
17. 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, Nils Lorentzen, appointed by CMC SPV of 3 April 2017 AB, Håkan Nelson, appointed by Øresund Healthcare Capital K/S and Peter Benson, chairman of the board of directors, proposes that attorney Ola Grahn is elected as chairman of the meeting.

Item 8 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 255,690,178 are carried forward.

Item 9: Determination of the number of members of the board of directors and the number of auditors and deputy auditors

The Nomination Committee proposes that the board of directors shall be composed of six members. Furthermore, it is proposed, in accordance with the recommendation from the audit committee, that one registered accounting firm is appointed as auditor.

Item 10: Determination of remuneration for the members of the board of directors and auditors

At the annual general meeting on 23 November 2018, board remuneration including remuneration for committee work was resolved and in connection herewith, it was resolved that remuneration to the chairman of the audit committee should be paid with SEK 50,000. Due to the company's initial public offering (IPO) on Nasdaq Stockholm, the work of the chairman of the audit committee Helena Wennerström became more extensive in the previous year than expected. Therefore, the Nomination Committee proposes that additional remuneration of SEK 70,000 shall be paid to Helena Wennerström as remuneration for her work as chairman of the audit committee related to the company's IPO for the period since the annual general meeting 2018. As a result, the total remuneration to the chairman of the audit committee for the period since the annual general meeting 2018 will amount to SEK 120,000.

Provided that the annual general meeting resolves to change the company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019, the Nomination Committee proposes that board remuneration for the period until the annual general meeting 2020 (i.e. a 6 month period) shall be paid with SEK 200,000 to the chairman of the board (unchanged compared to previous year based on a full year) and with SEK 100,000 to each of the other board members who are not employed by the company (unchanged compared to previous year based on a full year). It is further proposed that remuneration for committee work shall be paid with SEK 50,000 to the chairman of the audit committee (SEK 50,000 previous year based on a full year), and with SEK 12,500 to each of the other members of the audit committee (unchanged compared to previous year based on a full year).

Should the annual general meeting not resolve to change the company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 30 June 2020, the Nomination Committee proposes that board remuneration for the period until the annual general meeting 2020 (i.e. a 12 month period) instead shall be paid with SEK 400,000 to the chairman of the board and with SEK 200,000 to each of the other board members who are not employed by the company. It is further proposed that remuneration for committee work shall be paid with SEK 100,000 to the chairman of the audit committee and with SEK 25,000 to each of the other members of the audit committee.

Remuneration for the auditor is, in accordance with the recommendation from the Audit Committee, proposed to be paid in accordance with customary norms and approved invoice.

Item 11: Election of members of the board of directors, chairman of the board of directors and auditors

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

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

Furthermore, 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 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 an instruction and charter for the Nomination Committee shall be adopted in accordance with the following substantial terms.

The Nomination Committee shall consist of four members, representing the three largest shareholders as per the end of September, together with the chairman of the board of directors. The "three largest

shareholders” refer to the ownership grouped registered or in any other way known shareholders as per the end of September. However, ahead of the annual general meeting 2020, the Nomination Committee shall instead be composed based on the circumstances as per the end of November. The foregoing is based on the assumption that the annual general meeting resolves to change the company’s financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019 and that the annual general meeting 2020 will be held in the Spring of 2020. Should the annual general meeting not resolve to change the financial year, the Nomination Committee shall instead be composed based on the circumstances as per the end of March.

The chairman of the board of directors shall as soon as possible when the information regarding the three shareholders as per the end of September (ahead of the annual general meeting 2020, as per the end of November, or if the annual general meeting would not resolve to change the financial year, as per the end of March) is known, contact the three largest shareholders to find out whether they wish to appoint a representative to the Nomination Committee. In case one of the three largest shareholders refrain from appointing a representative, or such representative resign prior to completion of the assignment and without the shareholder who has appointed the representative appointing a new member, the chairman of the board of directors shall encourage the next owner in size (i.e. in the first place the fourth largest shareholder) to appoint a representative. The procedure shall go on until the Nomination Committee is composed of four members including the chairman of the board of directors.

The Nomination Committee shall appoint the Chairman of the Nomination Committee among its members. The chairman of the board of directors or another member of the board of directors should not be appointed as Chairman of the Nomination Committee.

The members of the Nomination Committee shall be announced no later than six months before the annual shareholders’ meeting. When significant changes in the ownership occur after the date the Nomination Committee was appointed, the Nomination Committee may, if it considers it necessary, decide to offer a new owner a position in the Nomination Committee in accordance with the principles above. Changes in the Nomination Committee shall be made public immediately.

The Nomination Committee’s term shall run until such time as a new Nomination Committee has been elected.

No fees shall be paid to the members of the Nomination Committee.

The Nomination Committee shall prepare and propose the following to the coming annual general meeting:

- (a) election of chairman at the general meeting;
- (b) election of chairman of the board of directors and other members of the board of directors;
- (c) fees to the board of directors, divided between the chairman and other members, and any fees for committee work;
- (d) election of auditor and fees to the auditor; and
- (e) principles for appointment of the Nomination Committee (if the Nomination Committee considers that the current principles and instruction should be updated).

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

Item 13: Determination of guidelines for remuneration to senior executives

The board of directors proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

The company shall offer remuneration levels and employment terms at market terms, aimed at facilitating the recruitment and retention of senior executives with high competence and capacity, in order to achieve established targets. The guidelines shall apply to employment agreements entered into after the adoption of these guidelines by the shareholders' meeting or amendments to existing agreements made after the adoption of the guidelines.

The remuneration to the CEO and other senior executives can be comprised of fixed salary, variable remuneration, pension benefits, share-based incentive programs resolved by the shareholders' meeting and other benefits. Senior executives refer to the CEO and the other persons forming part of the company's management team.

Remuneration and other employment terms for the CEO and other senior executives are pre-pared by the Remuneration Committee and resolved by the board of directors.

The fixed salary shall take into consideration the individual's competence, area of responsibility and performance. A review should generally be made annually.

The variable remuneration is to be based on the outcome of predetermined well defined objectives. The variable consideration is to be limited and may not exceed 40 per cent of the fixed annual salary for the CEO and 20 per cent of the fixed annual salary for other senior executives, whereby the individual highest level should be based on factors such as the position held by the specific individual.

The company's commitments in reference to variable remuneration for the CEO and other senior executives who can be entitled to variable remuneration targets are for the financial year 2019 calculated to amount to, if all targets are met in full, at the highest approximately SEK 1.5 million (excluding social charges). The calculation is based on the persons currently being senior executives and who can be entitled to variable remuneration. Furthermore, the calculation has been made on the assumption that the annual general meeting resolves to change the company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019 and will hence only comprise 6 months.

In addition to what follows from law or collective bargain agreements or other agreements, the CEO and other senior executives may be entitled to arrange individual pension schemes. Refrained salaries and variable remuneration can be used for increased pension contributions, provided that the total cost for the company is unchanged over time.

Share-based incentive programs shall, where applicable, be resolved by the shareholders' meeting.

The senior executives may be awarded other customary benefits, such as a company car, occupational health services, etc.

In case of termination of the CEO's employment by the company, the notice period should not exceed 6 months. In case the company terminates the CEO's employment, the CEO shall, in addition to salary during the notice period, be entitled to severance payment corresponding to 6 months' base salary. The notice period for other senior executives shall not exceed 6 months. The employment agreements with senior executives may also include provisions regarding right for the senior executive to receive customary compensation for non-compete undertakings following the termination of the employment.

At the time of the annual general meeting, the company has no outstanding remuneration commitments towards senior executives except for running commitments.

PRESS RELEASE



To the extent that a board member performs work for the company, besides the board membership, consultancy fees and other remuneration may be granted for such work. The remuneration shall correspond to relevant market conditions and shall, as well as other conditions, be determined by the board of directors.

The board of directors shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so.

Item 14: Resolution on change of the company's financial year and thereto related amendment of the Articles of Association

The board of directors proposes that the annual general meeting resolves to convert the company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December). In connection therewith, the board of directors proposes that the current financial year is shortened to only cover a period of six months. If the annual general meeting resolves in accordance with the proposal from the board of directors, the last day of the current financial year will be 31 December 2019. In view of the above, the board of directors also proposes that the annual general meeting resolves to amend § 10 of the company's Articles of Association in accordance with the following:

§ 10 Financial year

Current wording

The financial year of the company shall be 1 July–30 June.

Proposed wording

The financial year of the company shall be 1 January–31 December.

Item 15: Resolution on authorization for the board of directors regarding new share issues

The board of directors proposes that the annual general meeting resolves to authorize the board of directors to, 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, resolve on new share issues. 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 new share issues to industrial partners within the framework of partnerships and alliances. The total number of shares that can be issued must not exceed 5,872,227, which corresponds to a dilution of approximately 20 percent calculated on the current number of outstanding shares in the company. To the extent a new share issue is made with deviation from the shareholders' preferential rights, the new issue should be made on market terms.

Item 16: Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share saving program; (B) amendment of the Articles of Association; (C) authorization on a directed issue of series C shares; (D) authorization for repurchase of series C shares; and (E) 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 2019") for employees in accordance with A below. The resolution is conditional upon that the annual general meeting also resolves to amend the Articles of Association in accordance with B below whereby the possibility to issue series C shares is introduced and that the annual general meeting resolves on hedging measures in accordance with C – E below.

PRESS RELEASE



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

Background

The overall purpose with LTI 2019 is to align the interests of the employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2019 is also considered to create a long-term focus on increase in earnings and growth among the participants. LTI 2019 is further considered to facilitate for the company to recruit and retain employees.

Terms and conditions for LTI 2019

1. LTI 2019 shall comprise senior executives and key employees divided into three categories.
2. LTI 2019 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:

Position	Maximum number of Saving Shares
CEO	24,500
Other senior executives (3 persons)	10,000 - 18,000
Other key employees (3 persons)	2,000 - 5,000

4. The board of directors shall, within the intervals 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 31 December 2019 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 77,700 and the total number of Performance Shares will not exceed 388,500, meaning that the total number of shares that can be issued to the participants in connection with LTI 2019 will not exceed 466,200. The number of shares that can be issued in connection with LTI 2019 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 31 December 2022 (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 Qualification 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 14 November 2019 to and including 31 December 2022 (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 14 November 2019 and 30 trading days immediately preceding 31 December 2022. 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 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 October – December 2022.
13. Participation in LTI 2019 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 2019 shall be governed by separate agreements with the respective participant. The board of directors shall be responsible for the preparation and management of LTI 2019 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. Amendment of the Articles of Association

In order to enable the issuance of series C shares under LTI 2019, the board of directors proposes that the annual general meeting resolves to incorporate a new § 6 in the company's Articles of Association in accordance with the following wording. Following the incorporation of the new section in the Articles of Association, the already existing shares shall be ordinary shares.

§ 6 Share classes

Shares may be issued in two classes, ordinary shares and series C shares. The ordinary shares shall carry one vote per share and series C shares shall carry one-tenth of a vote per share. Shares of either share class may be issued up to an amount corresponding to the full share capital.

Series C shares do not entitle to dividends. Upon the dissolution of the company, series C shares shall carry equivalent right to the company's assets as other shares, however, not to an amount exceeding the quota value of the share.

If the company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.

If the company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.

What is set out above with regard to pre-emption rights shall apply mutatis mutandis in the event of issues of warrants and convertible bonds, and shall not limit the right to resolve upon an issue with deviation from the shareholders' pre-emption rights.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments of the Articles of Association.

Reduction of share capital, which in any case shall not fall below the minimum share capital, may, at the request of a holder of a series C share and after resolution by the company's board of directors or a shareholders' meeting, take place through redemption of series C shares. A request from a shareholder must be submitted in writing. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the company's reserve fund, if the required funds are available. The redemption amount per series C share shall be the quota value of such share.

Following receipt of the redemption resolution, holders of shares subject to redemption shall promptly receive payment for the shares, or, if authorization for the redemption from the Swedish Companies Registration Office (Sw. Bolagsverket) or a court is required, following the receipt of notice that the final and effected resolution has been registered.

Series C shares held by the company may, upon resolution of the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall register the reclassification with the

Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification has been reflected in the central securities depository register.

As a result of the incorporation of the new section, the existing sections 6 – 11 of the Articles of Association will be renumbered.

C. 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 shareholders' meeting, on one or several occasions, to issue a maximum of 588,560 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 2019 and, in terms of liquidity, to hedge payments of future social security contributions related to LTI 2019. It is noted that this shall be achieved through the company repurchasing the series C shares issued pursuant to the authorization in section D below whereafter the repurchased series C shares will be converted to ordinary shares and transferred in accordance with section E below.

D. 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 shareholders' 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 2019 and, in terms of liquidity, to hedge payments of future social security contributions related to LTI 2019.

The board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (Sw. aktiebolagslagen) is presented in a separate document.

E. Resolution on transfer of own ordinary shares

In order to fulfil the company's obligations towards participants in LTI 2019, 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 2019, at most 466,200 shares.
2. The number of shares that may be transferred pursuant to LTI 2019 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 2019 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 2019 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2019.

PRESS RELEASE



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 2019.

Since LTI 2019 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 2019 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. However, before any transfers of shares to participants in LTI 2019 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 2019. The costs for LTI 2019 are accrued over the vesting period which runs until 31 December 2022. The calculation has been made based on the quoted closing price for shares in the company as per 11 October 2019, i.e. SEK 18.50 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) an achievement of the Performance Target corresponding to a share price increase of 50 per cent resulting in that 1 Matching Share and 3 Performance Shares are allocated for each Saving Share. Based on these assumptions, the total costs for LTI 2019 are estimated to amount to approximately SEK 8.6 million, excluding social security contributions. The costs for social security contributions are estimated to amount to approximately SEK 2.3 million, based on the above assumptions, and under the assumption of a share price increase of 50 per cent during the duration of LTI 2019 and an average tax rate of 26.25 per cent for social security contributions.

The anticipated annual costs of approximately SEK 3.6 million, including social security contributions, correspond to approximately 30 per cent of the company's total employee costs for the financial year 2018/2019. Based on the calculation of costs as described above, the key figure earnings per share for the full year 2018/2019 had been changed from SEK -2.16 to SEK -2.37. 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 23,488,908.

The maximum number of shares that can be issued in relation to LTI 2019 is 588,560, whereof 466,200 for delivery of Matching Shares and Performance Shares to the participants and in the aggregate 122,360 related to hedging of cash flow for social security payments, which corresponds to a dilution of approximately 2.4 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full issuance of shares in connection with LTI 2019.

Since previously, there are two incentive programs in the form of employee option programs outstanding in the company. In case all warrants issued in relation to these incentive programs (including the warrants issued for hedging of cash flow for social security payments) are exercised for subscription of shares, a total of 1,296,680 new shares will be issued. In case all outstanding incentive programs as well as the proposed LTI 2019 are exercised in full, a total of 1,885,240 shares will be issued, which corresponds to an aggregate dilution of approximately 7.4 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full exercise of all outstanding incentive programs as well as the suggested LTI 2019.

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.

PRESS RELEASE



Preparation of the proposal

The proposal for LTI 2019 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

Particular majority requirements

For valid resolutions on the proposals pursuant to item 14 and item 15, 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 16, 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.

Information at the annual general meeting

The board and the CEO shall at the annual general meeting, if any shareholder so requests and the board 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.

Financial statements and complete proposals

Financial statements, the audit report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives as well as the complete proposals for resolutions, will be available for the shareholders at the company's office at Per Albin Hanssons väg 41, SE-205 12 Malmö, Sweden, and at the company's website (www.ascelia.com) as from no later than three weeks prior to the annual general meeting. Copies of the documents will be sent to the shareholders upon their request to the company, provided that such shareholders state their address, and will also be made available at the annual general meeting.

Number of shares and votes in the company

The total number of shares and votes in the company amounts to 23,488,908. The company does not hold any own shares.

Processing of personal data

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

Malmö in October 2019

Ascelia Pharma AB (publ)

The Board of Directors

PRESS RELEASE



For further information, please contact:

Magnus Corfitzen, CEO
Email: moc@ascelia.com
+46 735 179 110

Mikael Widell, Head of IR & Communications
Email: mw@ascelia.com
Tel: +46 703 11 99 60

The information was submitted for publication, through the agency of the contact person set out above, at 6.10 p.m. CET on 14 October 2019.

About Ascelia Pharma

Ascelia Pharma is an oncology-dedicated orphan drug development company located in Malmö, Sweden. The company's strategy is to develop drugs, which target unmet medical needs, have an established mode of action and a relatively low development risk. Ascelia Pharma has two drug candidates – Mangoral® and Oncoral – currently under development.

Mangoral is a novel contrast agent for MR-scans and is ready for Phase III clinical studies. Mangoral is developed to improve the visualisation of focal liver lesions (liver metastases) in patient with impaired kidneys that cannot tolerate current gadolinium contrast agents on the market. Oncoral is an oral chemotherapy tablet ready for Phase II for the treatment of gastric cancer. Ascelia Pharma is listed on Nasdaq Stockholm (ticker: ACE). For more information, please visit www.ascelia.com

Schedule 3

The Nomination Committee's proposals and reasoned statement for the annual general meeting 2019

1. Background

In accordance with the guidelines adopted by the annual general meeting Ascelia Pharma AB (the "**Company**") on 23 November 2018, a Nomination Committee has been appointed and announced through a press release on 10 May 2019. The Nomination Committee has consisted of Jørgen Thorball, appointed by Sunstone Life Science Ventures II K/S, Nils Lorentzen, appointed by CMC SPV of 3 April 2017 AB, Håkan Nelson, appointed by Øresund Healthcare Capital K/S and Peter Benson, chairman of the board of directors. Jørgen Thorball has been the chairman of the Nomination Committee.

2. The Nomination Committee's proposals for the annual general meeting 2019

The Nomination Committee submits the following proposals for resolutions:

Item 0: Election of chairman of the meeting

The Nomination Committee proposes that attorney Ola Grahn is elected as chairman of the meeting.

Item 9: Determination of the number of board members, auditors and deputy auditors

The Nomination Committee proposes that the board of directors shall be composed of six members. Furthermore, it is proposed, in accordance with the recommendation from the Audit Committee, that one registered accounting firm is appointed as auditor.

Item 10: Determination of remuneration for the members of the board of directors and auditors

At the annual general meeting on 23 November 2018, board remuneration including remuneration for committee work was resolved and in connection herewith, it was resolved that remuneration to the chairman of the audit committee should be paid with SEK 50,000. Due to the Company's initial public offering (IPO) on Nasdaq Stockholm, the work of the chairman of the audit committee Helena Wennerström became more extensive in the previous year than expected. Therefore, the Nomination Committee proposes that additional remuneration of SEK 70,000 shall be paid

to Helena Wennerström as remuneration for her work as chairman of the audit committee related to the Company's IPO for the period since the annual general meeting 2018. As a result, the total remuneration to the chairman of the audit committee for the period since the annual general meeting 2018 will amount to SEK 120,000.

Provided that the annual general meeting resolves to change the Company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019, the Nomination Committee proposes that board remuneration for the period until the annual general meeting 2020 (i.e. a 6 month period) shall be paid with SEK 200,000 to the chairman of the board (unchanged compared to previous year based on a full year) and with SEK 100,000 to each of the other board members who are not employed by the Company (unchanged compared to previous year based on a full year). It is further proposed that remuneration for committee work shall be paid with SEK 50,000 to the chairman of the audit committee (SEK 50,000 previous year based on a full year), and with SEK 12,500 to each of the other members of the audit committee (unchanged compared to previous year based on a full year).

Should the annual general meeting not resolve to change the Company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 30 June 2020, the Nomination Committee proposes that board remuneration for the period until the annual general meeting 2020 (i.e. a 12 month period) instead shall be paid with SEK 400,000 to the chairman of the board and with SEK 200,000 to each of the other board members who are not employed by the Company. It is further proposed that remuneration for committee work shall be paid with SEK 100,000 to the chairman of the audit committee and with SEK 25,000 to each of the other members of the audit committee.

Remuneration for the auditor is, in accordance with the recommendation from the Audit Committee, proposed to be paid in accordance with customary norms and approved invoice.

Item 11: Election of board of directors, chairman of the board of directors and auditors

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

Information on the board members proposed for re-election can be found at the Company's website (www.ascelia.com) and in the annual report.

Furthermore, 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 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's proposal on guidelines for appointing members of the Nomination Committee and on the Nomination Committee's assignment can be found in the Appendix.

3. Description of the Nomination Committee's work and the Nomination Committee's reasoned statement

- 3.1 The composition of the Nomination Committee was announced on 10 May 2019.
- 3.2 The Nomination Committee has held 1 meeting and has also had additional contacts. The Nomination Committee has applied the instruction for the Nomination Committee which was adopted by the annual general meeting on 23 November 2018.
- 3.3 The Company's shareholders have been informed on the Company website, that it has been possible to submit proposals to the Nomination Committee. No such proposals have been submitted.
- 3.4 The Nomination Committee has oriented itself with regard to how the work in the board of directors has been conducted and how it works as well as with regard to the Company's strategy and future challenges. The Nomination Committee has furthermore evaluated which competence and experience the members of the board should possess, which has served as guidance for the Nomination Committee's work. The chairman of the board has ensured that the Nomination Committee has received relevant information about the board work during the year, as well as the board evaluation which has been carried out by the members of the board.
- 3.5 The Nomination Committee has made the assessment that the board has been well functioning during the period and that the members of the board of directors possess adequate competence and the qualifications required to lead the Company's continued development. According to the Nomination Committee's assessment, continuity in the board work is of large importance for the Company. In the view hereof, the Nomination Committee has proposed re-election of all board members.
- 3.6 The proposed board of directors is, with regard to the Company's activity, stage of development and other conditions in general, considered as an adequate board composition in relation to the qualifications, experience and background of the proposed board members. The Nomination Committee has specifically considered the demand that the board of directors shall be characterized by diversity and width. The proposed board composition is also adequate in order to meet the needs, which the Company is facing and will be facing in relation to the Company's activities.

- 3.7 The Nomination Committee also considers that the proposed composition of the board of directors fulfills the requirements of the Swedish Code of Corporate Governance regarding the independence of the members of the board of directors. According to the Nomination Committee, all proposed board members except Hans Maier are to be considered independent in relation to the Company and its senior management and Helena Wennerström, Hans Maier and Bo Jesper Hansen are also to be considered as independent in relation to major shareholders. Peter Benson, Niels Mengel, and René Spogård are not considered to be independent in relation to major shareholders. In regards to Hans Maier, it is noted that the reason for considering him as not being independent in relation to the Company and its senior management is that Hans Maier is the Managing Director and a major shareholder of BGM Associates GmbH that is providing consultancy services to the Company. As for Bo Jesper Hansen, the Nomination Committee has noted that Bo Jesper Hansen is a minority shareholder holding approximately 4 per cent of the shares in CMC SPV of 3 April 2017 AB that is a major shareholder in the Company. The Nomination Committee has however reached the conclusion that this minority shareholding does not lead to that Bo Jesper Hansen should be considered as dependent in relation to CMC SPV of 3 April 2017 AB.
- 3.8 According to the Swedish Code of Corporate Governance, an even gender balance of the board of directors shall be strived for. The Nomination Committee has resolved to apply Rule 4.1 of the Swedish Corporate Governance as its diversity policy, which states that the composition of the board shall be characterized by diversity and breadth with respect to qualifications, experience and background of the board members and that an even gender balance shall be strived for. The Nomination Committee has considered the question regarding an even gender balance and the Nomination Committee can conclude that the proposed composition of the board of directors will consist of one woman and five men. The gender diversity is thus 16.7 % / 83.3 %, which, in the Nomination Committee's opinion, is not consistent with the requirement of an equal gender balance. The Nomination Committee's ambition is that the gender balance shall increase further over time, and at least correspond to the levels expressed by the Swedish Corporate Governance Board.

October 2019

The Nomination Committee of Ascelia Pharma AB (publ)

Appendix

Instruction and charter for the Nomination Committee in Ascelia Pharma AB

The Nomination Committee of Ascelia Pharma AB, Reg. No. 556571-8797 (the “**Company**”), proposes that the following instruction and charter for the Nomination Committee is adopted.

1. Appointment of Nomination Committee

- 1.1 The Nomination Committee shall consist of four members, representing the three largest shareholders as per the end of September, together with the chairman of the board of directors. The “three largest shareholders” refer to the ownership grouped registered or in any other way known shareholders as per the end of September. However, ahead of the annual general meeting 2020, the Nomination Committee shall instead be composed based on the circumstances as per the end of November. The foregoing is based on the assumption that the annual general meeting resolves to change the Company’s financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019 and that the annual general meeting 2020 will be held in the Spring of 2020. Should the annual general meeting not resolve to change the financial year, the Nomination Committee shall instead be composed based on the circumstances as per the end of March.
- 1.2 The chairman of the board of directors shall as soon as possible when the information regarding the three largest shareholders as per the end of September (ahead of the annual general meeting 2020, as per the end of November, or if the annual general meeting would not resolve to change the financial year, as per the end of March) is known, contact the three largest shareholders to find out whether they wish to appoint a representative to the Nomination Committee. In case one of the three largest shareholders refrain from appointing a representative, or such representative resign prior to completion of the assignment and without the shareholder who has appointed the representative appointing a new member, the chairman of the board of directors shall encourage the next owner in size (i.e. in the first place the fourth largest shareholder) to appoint a representative. The procedure shall go on until the Nomination Committee is composed of four members including the chairman of the board of directors.
- 1.3 The Nomination Committee shall appoint the Chairman of the Nomination Committee among its members. The chairman of the board of directors or another

er member of the board of directors should not be appointed as Chairman of the Nomination Committee.

- 1.4 The members of the Nomination Committee shall be announced no later than six months before the annual general meeting. When significant changes in the ownership occur after the date the Nomination Committee was appointed, the Nomination Committee may, if it considers it necessary, decide to offer a new owner a position in the Nomination Committee in accordance with the principles above. Changes in the Nomination Committee shall be made public immediately.
- 1.5 The Nomination Committee's term shall run until such time as a new Nomination Committee has been elected.
- 1.6 No fees shall be paid to the members of the Nomination Committee.

2. Duties of the Nomination Committee

- 2.1 The Nomination Committee shall prepare and propose the following to the coming annual general meeting:
 - (a) election of chairman at the general meeting;
 - (b) election of chairman of the board of directors and other members of the board of directors;
 - (c) fees to the board of directors, divided between the chairman and other members, and any fees for committee work;
 - (d) election of auditor and fees to the auditor; and
 - (e) principles for appointment of the Nomination Committee (if the Nomination Committee considers that the current principles and instruction should be updated).
- 2.2 On request by the Nomination Committee, the Company shall provide the Nomination Committee with human resources such as a secretary function in order to facilitate the Nomination Committee's work. The Nomination Committee shall also have the right to, as far as necessary in connection with the future election of a board member, obtain material from external consultants on knowledge, experience and profile in reference to suitable candidates, and with the right for the Nomination Committee to charge the Company with reasonable costs for the production of such material.

3. Period of validity

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.

October 2019

The Nomination Committee of Ascelia Pharma AB (publ)

Schedule 4

Guidelines for remuneration to senior executives in Ascelia Pharma AB

The board of directors of Ascelia Pharma AB, Reg. No. 556571-8797 (the “**Company**”), proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

1. Introduction

- 1.1 The Company shall offer remuneration levels and employment terms at market terms, aimed at facilitating the recruitment and retention of senior executives with high competence and capacity, in order to achieve established targets. The guidelines shall apply to employment agreements entered into after the adoption of these guidelines by the shareholders’ meeting or amendments to existing agreements made after the adoption of the guidelines.
- 1.2 The remuneration to the CEO and other senior executives can be comprised of fixed salary, variable remuneration, pension benefits, share-based incentive programs resolved by the shareholders’ meeting and other benefits. Senior executives refer to the CEO and the other persons forming part of the Company’s management team.
- 1.3 Remuneration and other employment terms for the CEO and other senior executives are prepared by the Remuneration Committee and resolved by the board of directors.

2. Fixed salary

The fixed salary shall take into consideration the individual’s competence, area of responsibility and performance. A review should generally be made annually.

3. Variable remuneration

- 3.1 The variable remuneration is to be based on the outcome of predetermined well defined objectives. The variable consideration is to be limited and may not exceed 40 per cent of the fixed annual salary for the CEO and 20 per cent of the fixed annual salary for other senior executives, whereby the individual highest level should be based on factors such as the position held by the specific individual.
- 3.2 The Company’s commitments in reference to variable remuneration for the CEO and other senior executives who can be entitled to variable remuneration targets are for the financial year 2019 calculated to amount to, if all targets are met in full, at the highest approximately SEK 1.5 million (excluding social charges). The

calculation is based on the persons currently being senior executives and who can be entitled to variable remuneration. Furthermore, the calculation has been made on the assumption that the annual general meeting resolves to change the Company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019 and will hence only comprise 6 months.

4. Pensions

In addition to what follows from law or collective bargain agreements or other agreements, the CEO and other senior executives may be entitled to arrange individual pension schemes. Refrained salaries and variable remuneration can be used for increased pension contributions, provided that the total cost for the Company is unchanged over time.

5. Share-based incentive programs

Share-based incentive programs shall, where applicable, be resolved by the shareholders' meeting.

6. Other benefits

The senior executives may be awarded other customary benefits, such as a company car, occupational health services, etc.

7. Severance pay etc.

In case of termination of the CEO's employment by the Company, the notice period should not exceed 6 months. In case the Company terminates the CEO's employment, the CEO shall, in addition to salary during the notice period, be entitled to severance payment corresponding to 6 months' base salary. The notice period for other senior executives shall not exceed 6 months. The employment agreements with senior executives may also include provisions regarding right for the senior executive to receive customary compensation for non-compete undertakings following the termination of the employment.

8. Outstanding remuneration commitments

At the time of the annual general meeting, the Company has no outstanding remuneration commitments towards senior executives except for running commitments.

9. Consultancy assignment for board members

To the extent that a board member performs work for the Company, besides the board membership, consultancy fees and other remuneration may be granted for such work. The remuneration shall correspond to relevant market conditions and shall, as well as other conditions, be determined by the board of directors.

10. Deviations from the guidelines

The board of directors shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so.

Malmö in October 2019

The Board of Directors of Ascelia Pharma AB (publ)

Schedule 5

Proposal for resolution on change of the company's financial year and thereto related amendment of the Articles of Association

The board of directors of Ascelia Pharma AB, Reg. No. 556571-8797 (the “**Company**”) proposes that the annual general meeting resolves to convert the Company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December). In connection therewith, the board of directors proposes that the current financial year is shortened to only cover a period of six months. If the annual general meeting resolves in accordance with the proposal from the board of directors, the last day of the current financial year will be 31 December 2019.

In view of the above, the board of directors also proposes that the annual general meeting resolves to amend § 10 of the Company's Articles of Association in accordance with the following:

§ 10 Financial year

Current wording

The financial year of the company shall be 1 July–30 June.

Proposed wording

The financial year of the company shall be 1 January–31 December.

Following the amendment, the Articles of Association will have the wording set out in **Appendix A**.

The Company's CEO shall be authorized to make such minor formal adjustments of the resolution as might be necessary in connection with registration with the Swedish Companies Registration Office.

For a valid resolution, the proposal has to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the annual shareholders' meeting.

Malmö in October 2019

The Board of Directors of Ascelia Pharma AB (publ)

ARTICLES OF ASSOCIATION

§ 1 Name

The name of the company is Ascelia Pharma AB. The company is a public company (publ).

§ 2 Registered office of the board of directors

The registered office shall be in the municipality of Malmö, Skåne county.

§ 3 Object of the company's business

The company shall, directly or indirectly, develop, market and sell medical devices and pharmaceutical products and conduct other activities compatible therewith.

§ 4 Share capital

The share capital shall not be less than SEK 11,200,000 and shall not exceed SEK 44,800,000.

§ 5 Number of shares

The number of shares shall not be less than 11,200,000 and shall not exceed 44,800,000.

§ 6 Board of directors

The board of directors shall, to the extent appointed by the shareholders' meeting, be composed of not less than 3 and not more than 8 members.

§ 7 Auditor

The company shall have not less than 1 and not more than 2 auditors with not more than 2 deputy auditors. As auditor and, when applicable, deputy auditor, an authorized public accountant or a registered accounting firm shall be appointed.

§ 8 Notice of general meeting

Notice convening a general meeting shall be made by announcement in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) and by making the notice available on the company's website. It shall further be announced in Svenska Dagbladet that a notice has been made.

Shareholders wishing to participate in the general meetings must be listed as shareholder in a printout or other transcript of the entire share register reflecting the circumstances five weekdays before the general meeting and notify participation to the company no later than on the date specified in the notice. The last mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if the shareholder notifies the number of advisors to the company in accordance with the procedure prescribed for notification of shareholders' intention to participate in the general meeting.

§ 9 Annual general meeting

The following matters shall be addressed at the annual general meeting:

- 1) Election of a chairman of the meeting.
- 2) Preparation and approval of the voting register.
- 3) Approval of the agenda.
- 4) Election of one or two persons to verify the minutes.
- 5) Determination as to whether the meeting has been duly convened.
- 6) Presentation of the annual report and the auditor's report and, if applicable, the consolidated annual report and the auditor's report on the consolidated annual report.
- 7) Resolution:
 - a) in respect of the adoption of the profit and loss statement and the balance sheet and, if applicable, the consolidated profit and loss statement and the consolidated balance sheet;
 - b) in respect of the allocation of the company's profits or losses as set forth in the adopted balance sheet; and
 - c) in respect of discharge from liability of the board members and the managing director.
- 8) Determination of the number of board members, auditors and deputy auditors.
- 9) Determination of fees for the board of directors and fees for the auditors.
- 10) Election of board of directors and auditors.
- 11) Any other matter which rests with the general meeting in accordance with the Swedish Companies Act or the company's articles of association.

§ 10 Financial year

The financial year of the company shall be 1 January – 31 December.

§ 11 Record day provision

The company's shares shall be registered in a record day register pursuant to the Swedish Central Securities Depositories and Financial Instruments Act (SFS 1998:1479).

Schedule 6

Proposal for resolution on authorization for the board of directors regarding new share issues

The board of directors of Ascelia Pharma AB, Reg. No. 556571-8797 (the “**Company**”), proposes that the annual general meeting resolves to authorize the board of directors to, 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, resolve on new share issues. 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 new share issues to industrial partners within the framework of partnerships and alliances. The total number of shares that can be issued must not exceed 5,872,227, which corresponds to a dilution of approximately 20 percent calculated on the current number of outstanding shares in the Company. To the extent a new share issue is made with deviation from the shareholders’ preferential rights, the new issue should be made on market terms.

The Company’s CEO shall be authorized to make such minor formal adjustments of the resolution as might be necessary in connection with registration with the Swedish Companies Registration Office.

For a valid resolution, the proposal has 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.

Malmö in October 2019

The Board of Directors of Ascelia Pharma AB (publ)

Schedule 7

Proposal for resolution on implementation of a long-term incentive program for employees by way of (A) implementation of a performance-based share saving program; (B) amendment of the Articles of Association; (C) authorization on directed issues of series C shares; (D) authorization on repurchase of series C shares; and (E) resolution on transfer of own ordinary shares

The board of directors of Ascelia Pharma AB (publ), Reg. No. 556571-8797 (the "**Company**"), proposes that the annual general meeting on 14 November 2019 resolves to implement a long-term incentive program in the form of a performance-based share saving program (the "**LTI 2019**") for employees in accordance with A below. The resolution is conditional upon that the annual general meeting also resolves to amend the Articles of Association in accordance with B below whereby the possibility to issue series C shares is introduced and that the annual general meeting resolves on hedging measures in accordance with C – E below.

A. Implementation of a performance-based share saving program

Background

The overall purpose with LTI 2019 is to align the interests of the employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2019 is also considered to create a long-term focus on increase in earnings and growth among the participants. LTI 2019 is further considered to facilitate for the Company to recruit and retain employees.

Terms and conditions for LTI 2019

1. LTI 2019 shall comprise senior executives and key employees divided into three categories.
2. LTI 2019 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:

Position	Maximum number of Saving Shares
CEO	24,500
Other senior executives (3 persons)	10,000 - 18,000
Other key employees (3 persons)	2,000 - 5,000

4. The board of directors shall, within the intervals 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 31 December 2019 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 77,700 and the total number of Performance Shares will not exceed 388,500, meaning that the total number of shares that can be issued to the participants in connection with LTI 2019 will not exceed 466,200. The number of shares that can be issued in connection with LTI 2019 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 31 December 2022 (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 14 November 2019 to and including 31 December 2022 (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 an-

nual general meeting on 14 November 2019 and 30 trading days immediately preceding 31 December 2022. 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 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 October – December 2022.
13. Participation in LTI 2019 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 2019 shall be governed by separate agreements with the respective participant. The board of directors shall be responsible for the preparation and management of LTI 2019 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 takeover 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. Amendment of the Articles of Association

In order to enable the issuance of series C shares under LTI 2019, the board of directors proposes that the annual general meeting resolves to incorporate a new § 6 in the Company's Articles of Association in accordance with the following wording. Following the incorporation of the new section in the Articles of Association, the already existing shares shall be ordinary shares.

§ 6 Share classes

Shares may be issued in two classes, ordinary shares and series C shares. The ordinary shares shall carry one vote per share and series C shares shall carry one-tenth of a vote per share. Shares of either share class may be issued up to an amount corresponding to the full share capital.

Series C shares do not entitle to dividends. Upon the dissolution of the Company, series C shares shall carry equivalent right to the Company's assets as other shares, however, not to an amount exceeding the quota value of the share.

If the Company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.

If the Company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.

What is set out above with regard to pre-emption rights shall apply mutatis mutandis in the event of issues of warrants and convertible bonds, and shall not limit the right to resolve upon an issue with deviation from the shareholders' pre-emption rights.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments of the Articles of Association.

Reduction of share capital, which in any case shall not fall below the minimum share capital, may, at the request of a holder of a series C share and after resolution by the Company's board of directors or a shareholders' meeting, take place through redemption of series C shares. A request from a shareholder must be submitted in writing. When a resolution on reduction has been passed, an amount corresponding to the reduction

amount shall be transferred to the Company's reserve fund, if the required funds are available. The redemption amount per series C share shall be the quota value of such share.

Following receipt of the redemption resolution, holders of shares subject to redemption shall promptly receive payment for the shares, or, if authorization for the redemption from the Swedish Companies Registration Office (Sw. Bolagsverket) or a court is required, following the receipt of notice that the final and effected resolution has been registered.

Series C shares held by the Company may, upon resolution of the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall register the reclassification with the Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification has been reflected in the central securities depository register.

As a result of the incorporation of the new section, the existing sections 6 – 11 of the Articles of Association will be renumbered. Following the amendments, the Articles of Association will have the wording set out in **Appendix A**.

C. 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 shareholders' meeting, on one or several occasions, to issue a maximum of 588,560 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 2019 and, in terms of liquidity, to hedge payments of future social security contributions related to LTI 2019. It is noted that this shall be achieved through the Company repurchasing the series C shares issued pursuant to the authorization in section D below whereafter the repurchased series C shares will be converted to ordinary shares and transferred in accordance with section E below.

D. 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 shareholders' 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 2019 and, in terms of liquidity, to hedge payments of future social security contributions related to LTI 2019.

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.

E. Resolution on transfer of own ordinary shares

In order to fulfil the Company's obligations towards participants in LTI 2019, 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 2019, at most 466,200 shares.
2. The number of shares that may be transferred pursuant to LTI 2019 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 2019 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 2019 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2019.

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 2019.

Since LTI 2019 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 2019 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. However, before any transfers of shares to participants in LTI 2019 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 2019. The costs for LTI 2019 are accrued over the vesting period which runs until 31 December 2022. The calculation has been made based on the quoted closing price for shares in the Company as per 11 October 2019, i.e. SEK 18.50 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) an achievement of the Performance Target corresponding to a share price increase of 50 per cent resulting in that 1 Matching Share and 3 Performance Shares are allocated for each

Saving Share. Based on these assumptions, the total costs for LTI 2019 are estimated to amount to approximately SEK 8.6 million, excluding social security contributions. The costs for social security contributions are estimated to amount to approximately SEK 2.3 million, based on the above assumptions, and under the assumption of a share price increase of 50 per cent during the duration of LTI 2019 and an average tax rate of 26.25 per cent for social security contributions.

The anticipated annual costs of approximately SEK 3.6 million, including social security contributions, correspond to approximately 30 per cent of the Company's total employee costs for the financial year 2018/2019. Based on the calculation of costs as described above, the key figure earnings per share for the full year 2018/2019 had been changed from SEK -2.16 to SEK -2.37. 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 23,488,908.

The maximum number of shares that can be issued in relation to LTI 2019 is 588,560, whereof 466,200 for delivery of Matching Shares and Performance Shares to the participants and in the aggregate 122,360 related to hedging of cash flow for social security payments, which corresponds to a dilution of approximately 2.4 per cent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full issuance of shares in connection with LTI 2019.

Since previously, there are two incentive programs in the form of employee option programs outstanding in the Company. In case all warrants issued in relation to these incentive programs (including the warrants issued for hedging of cash flow for social security payments) are exercised for subscription of shares, a total of 1,296,680 new shares will be issued. In case all outstanding incentive programs as well as the proposed LTI 2019 are exercised in full, a total of 1,885,240 shares will be issued, which corresponds to an aggregate dilution of approximately 7.4 per cent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full exercise of all outstanding incentive programs as well as the suggested LTI 2019.

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

The proposal for LTI 2019 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

Majority requirement

The board of directors' proposal on implementation of a long-term incentive program in accordance with Sections A to E above constitutes an overall proposal which shall be resolved upon as one resolution. The resolution is subject to the provisions in Chapter 16 of the Swedish Companies Act (*Sw. aktiebolagslag 2005:551*), and a valid resolution hence requires that the proposal is supported by shareholders with at least nine-tenths of the votes cast as well as of all shares represented at the meeting.

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.

Malmö in October 2019

ASCELIA PHARMA AB (PUBL)

The Board of Directors

Appendix A

ARTICLES OF ASSOCIATION

§ 1 Name

The name of the company is Ascelia Pharma AB. The company is a public company (publ).

§ 2 Registered office of the board of directors

The registered office shall be in the municipality of Malmö, Skåne county.

§ 3 Object of the company's business

The company shall, directly or indirectly, develop, market and sell medical devices and pharmaceutical products and conduct other activities compatible therewith.

§ 4 Share capital

The share capital shall not be less than SEK 11,200,000 and shall not exceed SEK 44,800,000.

§ 5 Number of shares

The number of shares shall not be less than 11,200,000 and shall not exceed 44,800,000.

§ 6 Share classes

Shares may be issued in two classes, ordinary shares and series C shares. The ordinary shares shall carry one vote per share and series C shares shall carry one-tenth of a vote per share. Shares of either share class may be issued up to an amount corresponding to the full share capital.

Series C shares do not entitle to dividends. Upon the dissolution of the Company, series C shares shall carry equivalent right to the Company's assets as other shares, however, not to an amount exceeding the quota value of the share.

If the Company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.

If the Company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.

What is set out above with regard to pre-emption rights shall apply mutatis mutandis in the event of issues of warrants and convertible bonds, and shall not limit the right to resolve upon an issue with deviation from the shareholders' pre-emption rights.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments of the Articles of Association.

Reduction of share capital, which in any case shall not fall below the minimum share capital, may, at the request of a holder of a series C share and after resolution by the Company's board of directors or a shareholders' meeting, take place through redemption of series C shares. A request from a shareholder must be submitted in writing. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's reserve fund, if the required funds are available. The redemption amount per series C share shall be the quota value of such share.

Following receipt of the redemption resolution, holders of shares subject to redemption shall promptly receive payment for the shares, or, if authorization for the redemption from the Swedish Companies Registration Office (*Sw. Bolagsverket*) or a court is required, following the receipt of notice that the final and effected resolution has been registered.

Series C shares held by the Company may, upon resolution of the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall register the reclassification with the Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification has been reflected in the central securities depository register.

§ 7 Board of directors

The board of directors shall, to the extent appointed by the shareholders' meeting, be composed of not less than 3 and not more than 8 members.

§ 8 Auditor

The company shall have not less than 1 and not more than 2 auditors with not more than 2 deputy auditors. As auditor and, when applicable, deputy auditor, an authorized public accountant or a registered accounting firm shall be appointed.

§ 9 Notice of general meeting

Notice convening a general meeting shall be made by announcement in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) and by making the notice available on the company's website. It shall further be announced in Svenska Dagbladet that a notice has been made.

Shareholders wishing to participate in the general meetings must be listed as shareholder in a printout or other transcript of the entire share register reflecting the circumstances five weekdays before the general meeting and notify participation to the company no later than on the date specified in the notice. The last mentioned day may not be a Sunday,

other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if the shareholder notifies the number of advisors to the company in accordance with the procedure prescribed for notification of shareholders' intention to participate in the general meeting.

§ 10 Annual general meeting

The following matters shall be addressed at the annual general meeting:

- 1) Election of a chairman of the meeting.
- 2) Preparation and approval of the voting register.
- 3) Approval of the agenda.
- 4) Election of one or two persons to verify the minutes.
- 5) Determination as to whether the meeting has been duly convened.
- 6) Presentation of the annual report and the auditor's report and, if applicable, the consolidated annual report and the auditor's report on the consolidated annual report.
- 7) Resolution:
 - a) in respect of the adoption of the profit and loss statement and the balance sheet and, if applicable, the consolidated profit and loss statement and the consolidated balance sheet;
 - b) in respect of the allocation of the company's profits or losses as set forth in the adopted balance sheet; and
 - c) in respect of discharge from liability of the board members and the managing director.
- 8) Determination of the number of board members, auditors and deputy auditors.
- 9) Determination of fees for the board of directors and fees for the auditors.
- 10) Election of board of directors and auditors.
- 11) Any other matter which rests with the general meeting in accordance with the Swedish Companies Act or the company's articles of association.

§ 11 Financial year

The financial year of the company shall be 1 January – 31 December.

§ 12 Record day provision

The company's shares shall be registered in a record day register pursuant to the Swedish Central Securities Depositories and Financial Instruments Act (SFS 1998:1479).

Schedule 8

Statement of the board of directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act (2005:551)

As the board of directors of Ascelia Pharma AB, Reg. No. 556571-8797 (the “**Company**”), proposes that the annual general meeting on 14 November 2019 resolves to authorize the board of directors to resolve on acquisition of own series C shares, the board of directors of the Company hereby issues the following statement.

In accordance with the proposed authorization, the Company will be entitled to repurchase a maximum of 588,560 own series C shares for a price corresponding to the quota value of the shares, i.e. SEK 1 per share. Thus, the total amount that may be paid upon acquisition pursuant to the proposed authorization amounts to SEK 588,560.

The nature and the scope of the Company's business are set forth in the Company's articles of association and the annual report for the financial year 2018/2019. The annual report sets forth the Company's and the group's financial position as of 30 June 2019. It also sets forth the principles applied with respect to the valuation of the Company's and the group's assets and liabilities. As set out in the annual report, financial instruments are valued at fair value in accordance with Chapter 4, Section 14 a of the Swedish Annual Accounts Act (*Sw. årsredovisningslagen (1995:1554)*). Since the recognized value corresponds to the fair value, the equity has not been impacted by the applied valuation method.

According to the annual report for the financial year 2018/2019, the Company's unrestricted equity (available profit and unrestricted reserves) amounts to approximately SEK 256 million. As per the balance sheet date, 30 June 2019, the Company's restricted equity amounted to approximately SEK 23 million.

The board of directors has made the assessment that the Company's restricted equity will be intact if the proposed authorization to acquire own series C shares is exercised in full. Even if the proposed repurchase authorization is exercised in full, the impact on the Company's and the group's liquidity will be marginal.

The board of directors is of the opinion that acquisition of own series C shares pursuant to the proposed authorization will not affect the Company's and the group's ability to meet their short or long term payment obligations. Nor is the exercise of the proposed authorization expected to negatively affect the Company's and the group's ability to make commercially justifiable investments. The board of directors is also of the opinion that the Company's and the group's equity, after exercise of the proposed authorization for acquisition of own series C shares, will be sufficient seen in relation to the nature, scope and risks of the business operations of the Company and the group.

In view of the above and considering such other circumstances which have come to the board of directors attention, the board of directors is of the opinion, based on an overall assessment of the Company's and the group's financial position, that the proposed authorization to resolve on acquisition of own series C shares is justifiable with respect to the requirements imposed by the nature, scope and risks of the operations in relation to the

size of the Company's and the group's equity, as well as consolidation needs, liquidity and general position of the Company and the group.

The board of directors therefore considers that the proposed authorization is justified with respect to the requirements set out in Chapter 17, Section 3, paragraph 2 and 3 of the Swedish Companies Act (*Sw. aktiebolagslagen* (2005:551)).

Malmö on 14 October 2019

The Board of Directors of Ascelia Pharma AB (publ)

Peter Benson

Bo Jesper Hansen

Hans Maier

Niels Mengel

René Spogárd

Helena Wennerström