

# PRESS RELEASE



## Notice to Annual General Meeting in Hansa Biopharma AB (publ)

Hansa Biopharma AB (publ), Reg. No. 556734-5359, with registered office in Lund, summons to Annual General Meeting on Tuesday June 23, 2020 at 15:00 CEST at the Elite Hotel Ideon, Scheelevägen 27, SE-223 63 Lund, Sweden. Registration will begin at 14:00 CEST and will end when the meeting starts.

Lund May 5, 2020.

### *Information in relation to the Corona virus (COVID-19)*

In view of the recent developments of the spread of the Corona virus (COVID-19), Hansa Biopharma has taken certain precautionary measures in relation to the Annual General Meeting on June 23, 2020. The measures are being taken to reduce the risk of spread of contagion.

- Shareholders should carefully consider the possibility to vote in advance, please see below, as well as the possibility of participating by way of proxy. Shareholders who display symptoms of infection (dry cough, fever, respiratory distress, sore throat, headache, muscle and joint ache), have been in contact with people displaying symptoms or belong to a risk group, are in particular encouraged to utilize such possibility. A form for advance voting and proxy form is available at [www.hansabiopharma.com](http://www.hansabiopharma.com), section *This Is Hansa*, subsection *Corporate Governance*, under *General Meeting 2020*.
- No external guests will be invited.
- No refreshments will be served prior to or after the Annual General Meeting.
- Merely a shorter speech will be held by the CEO on the Annual General Meeting.
- Shareholders are offered the opportunity to observe the Annual General Meeting live via a webcast, however without the possibility of formally attending as a shareholder. The link to the webcast will be available on Hansa Biopharma's webpage, [www.hansabiopharma.com](http://www.hansabiopharma.com), section *This Is Hansa*, subsection *Corporate Governance*, under *General Meeting 2020*.
- The Annual General Meeting will be conducted in the shortest possible time without limiting the rights of the shareholders.
- Kindly review the information and recommendations issued by the Swedish Public Health Authority (Sw. *Folkhälsomyndigheten*).

The continued spread of the Corona virus (COVID-19) and its effects are still difficult to assess with certainty and Hansa Biopharma is closely following the developments. If any further precautionary measures in relation to the Annual General Meeting must be taken, information thereof will be published on the company's webpage, [www.hansabiopharma.com](http://www.hansabiopharma.com).

### *Right to attend the Annual General Meeting*

To have the right to participate in the Annual General Meeting, the shareholder must be included in the shareholders' register kept by Euroclear Sweden AB as of June 16, 2020 and notify the company of his or her participation at the Annual General Meeting no later than June 16, 2020. Notice to participate shall be given in writing to Advokatfirman Vinge KB, Att: Stephanie Stiernstedt, Box 1703, 111 87 Stockholm or by e-mail to [hansabiopharma@vinge.se](mailto:hansabiopharma@vinge.se). The notification shall state the shareholder's name, personal identity number or registration number, telephone number and, where applicable, the number of advisors (maximum two).

The information was submitted for publication, through the contact person set out below, at 08:00a.m. (CET) on May 19, 2020

#### Contact information

Klaus Sindahl  
Head of Investor Relations  
Hansa Biopharma  
M: +46 (0) 709-298 269  
E: [klaus.sindahl@hansabiopharma.com](mailto:klaus.sindahl@hansabiopharma.com)

#### About Hansa Biopharma

Hansa Biopharma is leveraging its proprietary enzyme technology platform to develop immunomodulatory treatments for enabling transplantations and rare immunoglobulin G (IgG)-mediated autoimmune conditions, transplant rejection and cancer.

The Company's lead product candidate, imlifidase, is an antibodycleaving enzyme being developed to enable kidney transplantation in highly sensitized patients and may be further developed for use in other organ and tissue transplantation as well as acute autoimmune indications. Imlifidase is currently under review for a potential marketing authorization by the European Medicines Agency (EMA).

Hansa's research and development program is advancing the Company's enzyme technology to develop the next generation of IgG-cleaving enzymes with potentially lower immunogenicity, suitable for repeat dosing in relapsing autoimmune diseases and oncology. Hansa Biopharma is based in Lund, Sweden and also has operations in other European countries and in the U.S.

Hansa Biopharma  
Scheelevägen 22  
SE- 223 63 Lund, Sweden  
Phone: +46 46 16 56 70  
[www.hansabiopharma.com](http://www.hansabiopharma.com)

Nasdaq OMX Stockholm  
Ticker: HNSA  
ISIN: SE 0002148817

A shareholder, whose shares have been registered in the name of a bank or other trust department or with a private securities broker, must temporarily re-register his or her shares in his or her own name with Euroclear Sweden AB to be entitled to participate in the Annual General Meeting. Such re-registration must be completed no later than June 16, 2020 and should be requested with the nominee well in advance.

### ***Proxy***

Shareholders who intend to be represented by proxy shall issue dated and signed power of attorney for the proxy. The proxy is valid for one year from the issuance, or the longer period of validity stated in the proxy, however not more than five years from the issuance. If the proxy is issued by a legal entity, attested copies of the certificate of registration or equivalent authorization documents evidencing the authority to issue the proxy shall be included with the notification. The power of attorney shall confirm the right of the signee to appoint a representative for the legal entity. To facilitate the registration at the Annual General Meeting, the proxy form as well as registration certificate and other authorization documents shall be submitted to the company no later than on June 16, 2020. The completed and signed form shall be sent to the address stated under "Right to attend the Annual General Meeting" above. If the proxy form and other authorization documents have not been submitted in advance, the power of attorney in original and other authorization documents must be able to be presented at the Annual General Meeting. Proxy forms are available at the company, on the company's webpage, [www.hansabiopharma.com](http://www.hansabiopharma.com), section *This Is Hansa*, subsection *Corporate Governance*, under *General Meeting 2020*, and will be sent upon request to any shareholder who states their postal address.

### ***Advance voting***

The shareholders may exercise their voting rights at the general meeting by voting in advance, so called postal voting in accordance with Section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. Hansa Biopharma encourages the shareholders to use this opportunity in order to minimize the number of participants attending the general meeting in person and thus reduce the risk of spreading COVID-19 infection.

A special form shall be used for advance voting. The form is available on the company's webpage, [www.hansabiopharma.com](http://www.hansabiopharma.com), section *This Is Hansa*, subsection *Corporate Governance*, under *General Meeting 2020*. A shareholder who is exercising its voting right through advance voting do not need to notify the company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be submitted to the company no later than on June 16, 2020. The completed and signed form shall be sent to the address stated under "Right to attend the Annual General Meeting" above. A completed form may also be submitted electronically and is to be sent to [hansabiopharma@vinge.se](mailto:hansabiopharma@vinge.se). If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. A certificate of incorporation, or a corresponding document shall be enclosed to the form also for legal entities who are voting in advance by proxy. No shareholder may provide special instructions or conditions in the voting form. If so, the vote is invalid.

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

### ***Proposed agenda***

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to attest the minutes.
6. Determination as to whether the meeting has been duly convened.
7. Statement by the CEO.

8. Presentation of the annual report and the auditors' report and the consolidated financial statements and the auditors' report for the group.
9. Resolution:
  - (a) regarding the adoption of the income statement and the balance sheet, and of the consolidated income statement and the consolidated balance sheet;
  - (b) regarding allocation of the company's result according to the adopted balance sheet;
  - (c) regarding discharge from liability for the members of the Board of Directors and the CEO.
10. Determination of the
  - (d) number of members of the Board of Directors; and
  - (e) number of auditors.
11. Determination of fees for
  - (a) members of the Board of Directors; and
  - (b) auditors.
12. Election of the members of the Board of Directors
  - (a) Ulf Wiinberg;
  - (b) Birgit Stattin Norinder;
  - (c) Anders Gersel Pedersen;
  - (d) Andreas Eggert;
  - (e) Eva Nilsagård; and
  - (f) Mats Blom.
13. Election of the chairman of the Board of Directors.
14. Election of auditors.
15. Proposal regarding principles for appointing the Nomination Committee.
16. Proposal regarding guidelines for executive remuneration.
17. Proposal regarding the amendment of the articles of association.
18. Proposal to adopt a long-term incentive program based on performance-based share rights for employees at Hansa Biopharma.
19. Proposal to adopt a long-term incentive program based on employee stock options for employees at Hansa Biopharma.
20. Proposal regarding resolution on authorization for the Board of Directors to resolve on new issue of ordinary shares and warrants and/or convertibles.
21. Closing of the meeting.

#### **The Nomination Committee's proposals**

***The Nomination Committee's proposals for election of chairman to the meeting, members of the Board of Directors, chairman of the Board of Directors, auditor and determination of fees (items 2 and 10-14)***

The Nomination Committee, composed of Erika Kjellberg Eriksson (Nexttobe AB), chairman, Anna Sundberg (Handelsbanken Funds), Sven Sandberg (Tomas Olausson and Gladiator) and Ulf Wiinberg (chairman of the Board of Directors), as convener, has submitted the following proposals for resolution.

- Christian Lindhé, member of the Swedish Bar Association, from Advokatfirman Vinge is proposed to be elected chairman of the Annual General Meeting (item 2).
- The Board of Directors is proposed to consist of six (6) directors and no deputy directors (item 10 (a)).

- One registered accounting firm is proposed to be appointed auditor and no deputy auditors (item 10 (b)).
- Remuneration to the Board of Directors shall remain unchanged from the previous year and is proposed to amount to SEK 900,000 to the chairman of the board and SEK 300,000 each to the other board members. The remuneration to the chairman of the Audit Committee should be SEK 75,000 and SEK 40,000 to each other member in the Audit Committee, SEK 40,000 to the chairman of the Remuneration Committee and SEK 25,000 to each other member in the Remuneration Committee, and SEK 25,000 to each board member in the Scientific Committee (item 11 (a)).
- Auditors' fee is proposed to be on approved account (item 11 (b)).
- Re-election of the board members Ulf Wiinberg, Birgit Stattin Norinder, Anders Gersel Pedersen, Andreas Eggert, Eva Nilsagård and Mats Blom, all for the time until the end of the next Annual General Meeting (items 12 (a) - (f)).
- Ulf Wiinberg is proposed to be re-elected as chairman of the Board of Directors for the time until the end of the next Annual General Meeting (item 13).
- Re-election of the auditor KPMG AB. If re-elected, KPMG AB has informed that Jonas Nihlberg will be the principal auditor for the period until the end of the next Annual General Meeting. The proposal is in accordance with the Audit Committee's recommendation (item 14).

Information regarding the individuals proposed by the nomination committee for re-election is available at the company's webpage, [www.hansabiopharma.com](http://www.hansabiopharma.com).

***The Nomination Committee's proposal for resolution regarding principles for appointing the Nomination Committee (item 15)***

The Nomination Committee proposes that the Annual General Meeting resolves that the principles for appointing the nomination committee shall be left essentially unchanged from the previous year, which are those described below:

The Nomination Committee shall consist of representatives for the three largest, in terms of votes, registered shareholders per August 31, 2020. Should such shareholder not wish to appoint a member, the largest shareholder, in terms of votes, thereafter shall be invited to appoint a member in the Nomination Committee until three members have been appointed. The names of the members of the Nomination Committee shall be made public no later than six months prior to the Annual General Meeting of 2021. The Nomination Committee shall appoint the member representing the largest shareholder as chairman, unless the Nomination Committee decides otherwise. The term of office for the Nomination Committee shall be until a new Nomination Committee has taken office.

Should any of the members of the Nomination Committee, before the assignment of the Nomination Committee has been fulfilled, resign or no longer represent the shareholder who appointed that member, such a member be replaced by a new member appointed by that shareholder. Should any shareholder not represented in the Nomination Committee be larger, in terms of votes, than another shareholder represented in the Nomination Committee, the larger shareholder in terms of votes shall be entitled to appoint a member to the Nomination Committee, whereby the member representing the smallest, in terms of votes, shareholder shall leave the Nomination Committee. Unless there are special circumstances, no changes shall be made in the composition of the Nomination Committee if there are only marginal changes in the number of votes held or if the change occurs later than three months before the Annual General Meeting.

The Nomination Committee shall be entitled to charge the company for costs of e.g. recruitment consultants and other consultants that are necessary for the Nomination Committee to be able to fulfil its assignment. Further, the Nomination Committee is authorized to co-opt additional members, if deemed appropriate, however, any such co-opted member shall not be entitled to vote. The members of the Nomination Committee shall not be entitled to any remuneration from the company for their work. The Nomination Committee shall present proposals for the chairman of the meeting, board members, chairman of the Board of Directors, remuneration to the board, auditors, remuneration to the auditors and the principles for the Nomination Committee before the Annual General Meeting 2021.

The Nomination Committee shall follow the assignments set out in the Swedish Corporate Governance Code.

### **The Board of Directors' proposals**

#### ***Resolution regarding allocation of the company's result (item 9b)***

The Board of Directors proposes that the distributable assets available at the Annual General Meeting's disposal shall be carried forward and that no dividend shall be paid.

#### ***Proposal regarding guidelines for executive remuneration (item 16)***

The Board of Directors proposes that the Annual General Meeting resolves to adopt guidelines for executive remuneration.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel, consequently, it is necessary that the company offers market competitive remuneration.

The guidelines proposed by the Board of Directors entail that senior executives, i.e. the CEO and members of the executive committee, will be offered remuneration which is competitive and on market terms. The guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability. The level of the remuneration for the individual manager shall be based on factors such as complexity and responsibility of the position, expertise, experience and performance. The remuneration consists of a fixed base salary and pension benefits and, in addition, may consist of a variable cash remuneration, performance-based short-term incentive (STI), share based long-term incentive programs (LTIP) as resolved by a general meeting, severance remuneration, and other benefits. The STI shall be based on the achievement of quantitative and qualitative performance targets and shall not exceed 50 percent of the annual fixed base salary. The variable cash remuneration is intended to support recruitment or retention of key personnel or to reward extraordinary performance beyond the individual's ordinary responsibilities and shall not exceed 30 percent of the annual fixed base salary. Contributions to pension plans shall not exceed 30 percent of the annual fixed base salary. Salary during the notice of termination period and severance remuneration shall be possible in a total maximum amount of 18 monthly base salaries.

Ultimate responsibility for the remuneration to senior management as well as setting the respective performance targets lies with the Board of Directors who is supported by the Remuneration Committee and the CEO.

The complete proposal regarding guidelines for executive remuneration is available on the company's webpage, [www.hansabiopharma.com](http://www.hansabiopharma.com).

#### ***Proposal regarding the amendment of the articles of association (item 17)***

The Board of Directors proposes that the Annual General Meeting resolves on the amendments to Sections 1 and 8 of the articles of association as illustrated below.

The amendment of Section 1 of the articles of association is proposed since the Swedish term for company's name in the Swedish Companies Act, has changed from *Firma* to *Företagsnamn*. The altering of the Swedish term does not affect the English translation of the company's articles of association.

The amendment of Section 8 of the articles of association is proposed since the current wording will be inaccurate when an amendment of the Swedish Companies Act in relation to record days enters into force later this year.

<i>Change</i>	<i>Current wording</i>	<i>Proposed wording</i>
1 §	“The <b>company's name</b> is Hansa Biopharma AB. The company is a public limited company (publ).”	“The <b>company's name</b> is Hansa Biopharma AB. The company is a public limited company (publ).”
8 §	“Notice of general meetings shall be given through an announcement in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on the company's website. An announcement shall be published in Dagens Industri that notice has been given. Shareholders wishing to participate at general meetings must <b>be entered in the printout of the entire share register evidencing the circumstances five days prior to the meeting and must</b> notify the company <b>not later than 12 PM</b> on the date stated in the notice of the meeting, whereupon the number of assistants accompanying the shareholder to the meeting shall be stated. The <b>latter-mentioned</b> date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than five weekdays prior to the meeting.”	“Notice of general meetings shall be given through an announcement in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on the company's website. An announcement shall be published in Dagens Industri that notice has been given. Shareholders wishing to participate at general meetings <b>must notify the company on the date stated in the notice of the meeting,</b> whereupon the number of assistants accompanying the shareholder to the meeting shall be stated. <b>The aforementioned date</b> may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than five weekdays prior to the meeting.”

***The Board of Directors' proposal for a long-term incentive program 2020***

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term incentive program for employees at Hansa Biopharma (“LTIP 2020”). LTIP 2020 includes two elements; one performance-based share rights program (item 18), and one employee stock option program (item 19).

***Proposal to adopt a long-term incentive program based on performance-based share rights for employees at Hansa Biopharma (item 18)***

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term incentive program based on performance-based share rights for employees of the Hansa Biopharma group, within the framework of LTIP 2020, (the “**Share Rights Program 2020**”) in accordance with item 18(a) below. The decision to adopt the Share Rights Program 2020 in accordance with item 18(a) shall further be conditional upon that the general meeting resolves on hedging measures relating to the incentive program, either in accordance with item 18(b) below or in accordance with the Board of Directors' proposal in item 18(c) below.

***Proposal to adopt the Share Rights Program 2020 (item 18(a))***

*The program in brief*

The Share Rights Program 2020 is proposed to include the CEO, senior executives and other key employees, meaning that a maximum of 36 individuals within the Hansa Biopharma group will be able to participate. Participants will be given the opportunity to receive ordinary shares free of charge within the framework of the Share Rights Program 2020, so-called "**Performance Shares**", in accordance with the conditions set out below.

Within the framework of the Share Rights Program 2020, the company will allot participants rights to Performance Shares which means that, subject to certain conditions being met, the right to receive a Performance Share free of charge ("**Share Rights**").

#### *Terms and conditions*

A Share Right may be exercised provided that the participant, with certain exceptions, from the start date of the Share Rights Program 2020 for each participant, up until and including the date three years thereafter (the "**Vesting Period**"), is still employed by the Hansa Biopharma group. The last date for the start of the Share Rights Program 2020 shall be the day before the Annual General Meeting of Hansa Biopharma in 2021.

In addition to the requirement for the participant's continued employment according to the above, the final number of Performance Shares that each participant is entitled to receive shall also be conditional upon the following performance conditions being met during the vesting period:

- (i) 22 per cent of the Performance Shares in the event the U.S. randomised controlled trial is completed during the Vesting Period ("**Performance Condition 1**"),
- (ii) 11 per cent of the Performance Shares in the event that top line data read out of the ongoing phase 2 study in either AMR or GBS is completed during the Vesting Period with data providing a solid scientific rationale to continue either of the two programs ("**Performance Condition 2**"),
- (iii) 11 per cent of the Performance Shares in the event that at least 70 per cent of the targeted transplantation centers in Europe have been initiated during the Vesting Period ("**Performance Condition 3**"),
- (iv) 56 per cent of the Performance Shares related to the total shareholder return (the return to shareholders through an increased share price and reinvestments of any dividends during the Vesting Period) on the company's ordinary shares during the Vesting Period ("**Performance Condition 4**").

The above distribution of the number of Performance Shares is based on a valuation of each instrument and corresponds to a value-based distribution of 25 per cent to Performance Condition 1, 12.5 per cent to Performance Condition 2, 12.5 per cent to Performance Condition 3 and 50 per cent to Performance Condition 4, respectively. This entails that participants will be entitled to 22 per cent of the Performance Shares if Performance Condition 1 is achieved, 11 per cent of the Performance Shares if Performance Condition 2 is achieved and 11 per cent of the Performance Shares if Performance Condition 3 is achieved. In addition, participants will under Performance Condition 4 be entitled to 56 per cent of the Performance Shares if the total shareholder return for the company's ordinary share during the Vesting Period reaches or exceeds 75 per cent. If the total shareholder return during the Vesting Period is less than 25 per cent, no allotment of Performance Shares will be made under Performance Condition 4. In between the percentages, allotment will be made linearly. The baseline for assessing the total shareholder return under Performance Condition 4 should be the higher of (i) the volume weighted average share price during the 10 trading days immediately preceding the respective allotment of the Share Rights, or (ii) SEK 100. In the event that Performance Condition 1, Performance Condition 2 and Performance Condition 3, after the initial allotment, are not considered to be relevant incentives for Share Rights allotted in subsequent allocations under the program, these Performance Conditions may be replaced by other strategic goals for the company.

#### *Share Rights*

The Share Rights shall, in addition to what is set out above, be governed by the following terms and conditions:

- Share Rights are allotted free of charge no later than the day before the Annual General Meeting 2021.
- Share Rights vest during the Vesting Period.
- Share Rights may not be transferred or pledged.
- Each Share Right entitles the participant to receive one Performance Share free of charge after the end of the Vesting Period (with certain exceptions where the Vesting Period may be accelerated) if the participant, with certain exceptions, is still employed by the Hansa Biopharma group by the end of the Vesting Period.
- In order to align the interests of the participant and the shareholders', the company will also compensate the participants for dividends paid by increasing the number of Performance Shares that each Share Right entitle to after the Vesting Period.

*Preparation of the proposal, design and administration*

The Board of Directors, or a special committee set up by the board, shall be responsible for preparing the detailed design and administration of the terms and conditions of the Share Rights Program 2020, in accordance with the presented terms and guidelines including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue and/or similar measures. In connection therewith, the Board of Directors shall be entitled to make adjustments to meet specific foreign regulations or market conditions. The Board of Directors shall also be entitled to make other adjustments if significant changes occur in the Hansa Biopharma group or in its environment that would result in that the adopted terms for the Share Rights Program 2020 no longer fulfils their objectives or the rationale for the proposal including, inter alia, that adjustments may be decided with respect to the terms and conditions for measuring performance, and the basis for such calculation, and the growth rate targets under the Share Rights Program 2020 due to potential effects from or related to COVID-19.

*Allotment of Share Rights*

The participants are divided into different categories and, in accordance with the above, the Share Rights under the Share Rights Program 2020 may be allotted to the following participants in the different categories:

Category	Maximum number of persons	Maximum number of Share Rights	Maximum number of Share Rights per person in the category
CEO	1	57,278	57,278
Others	35	447,818	28,639

*Receiving Performance Shares under the Share Rights Program 2020 and hedging arrangements*

The Board of Directors has considered different methods for transfer of ordinary shares under the Share Rights Program 2020 in order to implement the program in a cost-effective and flexible manner. The Board of Directors has found the most cost-effective alternative to be, and thus proposes it as a main alternative, in accordance with item 18(b) below, that the Annual General Meeting resolves (a) to authorise the Board of Directors to resolve on a directed issue of not more than 656,625 class C shares to the participating bank, of which not more than 151,529 class C shares may be issued to secure social contributions arising as a result of the Share Rights Program 2020, and (b) to authorise the Board of Directors to resolve on the repurchase of all issued class C shares, in accordance with item 18(b) below.

Following conversion of the class C shares to ordinary shares, the ordinary shares are intended to be both transferred to the Share Rights Program 2020 participants, as well as sold in the market in order to cover the cash flow-related to social contribution costs associated with the Share Rights Program 2020. For this purpose, the Board of Directors proposes that the Annual General Meeting resolves (c) to transfer not more than 505,096 ordinary shares free of charge to participants in accordance with the Share Rights Program 2020 and that not more than

151,529 ordinary shares may be sold to secure social contribution costs arising as a result of the Share Rights Program 2020.

If the majority required for resolution in accordance with item 18(b) is not met, the Share Rights Program 2020 shall instead be hedged through a resolution to conclude an equity swap-agreement, in accordance with the Board of Director's proposal under item 18(c) below.

#### *Scope and costs for the Share Rights Program 2020*

The Share Rights Program 2020 will be reported in accordance with IFRS 2, which means that the Share Rights will be expensed as personnel costs over the Vesting Period. The costs for the Share Rights Program 2020 is estimated to amount to SEK 35.4 million, excluding social contributions, accounted in accordance with IFRS 2 based on the following assumptions: (i) that 505,096 Share Rights are allotted, (ii) that the share price, at the beginning of the Share Rights Program 2020, is SEK 120 per ordinary share, (iii) that the performance conditions are fully met, and (iv) an estimated annual turnover of personnel of 5 per cent. Based on the same assumptions as above, and subject to social contributions of approximately 30 per cent and a share price increase of 75 per cent from the start of the Share Rights Program 2020 until the participants are allotted shares, the costs for social contributions are estimated to amount to SEK 27.3 million. The total cost for the Share Rights Program 2020, including costs according to IFRS 2, is therefore estimated to SEK 20.9 million per year, based on the same assumptions as above.

#### *Dilution and effects on key ratios*

Upon maximum allotment of Share Rights and provided that the hedging arrangements in accordance with item 18(b) below are adopted by the General Meeting, 505,096 ordinary shares will be allotted to participants under the Share Rights Program 2020, and that 151,529 ordinary shares will be used to secure social contributions arising as a result of the Share Rights Program 2020, which would entail a dilution effect of approximately 1.6 per cent of the total number of ordinary shares in the company.

Given the above assumptions regarding scope and costs, and that the Share Rights Program 2020 was introduced in 2018, it is estimated that the key figure earnings per share for full year 2019 would have decreased from SEK -9.00 to approximately SEK -9.52.

If all outstanding incentive program in the company are included in the calculation, including the Board of Director's proposal for the Annual General Meeting 2020 on the adoption of a long-term incentive program (option program), the corresponding maximum dilution, at the time of the Annual General Meeting, amounts to approximately 5.3 per cent of the share capital.

#### *Hedging arrangements related to the program*

##### ***Authorisation for the Board of Directors to issue new class C shares, authorisation to repurchase issued class C shares, transfer own ordinary shares to participants in the program and the market (item 18(b)(i)-(iii))***

The resolutions under items 18(b)(i)-(iii) below are proposed to be conditional upon each other and for that reason it is proposed that all resolutions are to be passed as one resolution.

##### *Authorisation for the Board of Directors to issue class C shares (item 18(b)(i))*

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the Annual General Meeting 2021, on one or more occasions, to increase the company's share capital by not more than SEK 656,625 by the issue of not more than 656,625 class C shares, each with a quota value of SEK one (1). With deviation from the shareholders' pre-emption rights, the participating bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorisation and the reason for the deviation from the shareholders' pre-emption rights in connection with the issue of shares is to ensure delivery of shares to employees under the long-term incentive program, as well as to secure potential social contributions arising as a result of the Share Rights Program 2020.

##### *Authorisation for the Board of Directors to repurchase class C shares (item 18(b)(ii))*

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the Annual General Meeting 2021, on one or more

occasions, to repurchase class C shares. The repurchase may only be effected through an offer directed to all holders of class C shares and shall comprise all outstanding class C shares. Repurchases shall be effected at a purchase price corresponding to the quota value of the share. Payment for the acquired class C shares shall be made in cash. The purpose of the proposed repurchase authorisation is to ensure delivery of Performance Shares under the Share Rights Program 2020 and to secure possible social contributions arising as a result of the Share Rights Program 2020.

#### *Decision to transfer own ordinary shares (item 18(b)(iii))*

The Board of Directors proposes that the Annual General Meeting resolves that class C shares that the company acquires based on the authorisation to repurchase class C shares in accordance with item 18(b)(ii) above, may, following the reclassification into ordinary shares, be transferred free of charge to participants of the Share Rights Program 2020 in accordance with the adopted terms and conditions in order to secure possible social contributions arising as a result of the Share Rights Program 2020.

The Board of Directors therefore proposes that the Annual General Meeting resolves that not more than 505,096 ordinary shares may be transferred to participants in accordance with the terms and conditions of the Share Rights Program 2020, and that not more than 151,529 ordinary shares shall be transferred on Nasdaq Stockholm, including through a financial intermediary, at a price within the registered price range at the relevant time, to cover any social contributions in accordance with the terms and conditions of the Share Rights Program 2020. The number of shares to be transferred is subject to recalculation in the event of a bonus issue, split, rights issue and/or other similar events.

#### *Equity swap arrangements with third parties (item 18(c))*

In the event that the required majority for item 18(b) above cannot be achieved, the Board of Directors proposes that the Annual General Meeting resolves to hedge the Share Rights Program 2020 by allowing Hansa Biopharma to enter into equity swap arrangements with third parties on market terms, where the third party in its own name will be able to acquire and transfer ordinary shares in Hansa Biopharma to the participants.

#### *The background and rationale for the proposal*

The purpose of the Share Rights Program 2020 is to create the conditions for motivating and retaining competent employees within the Hansa Biopharma group and to increase the coherence between the employees', shareholders' and the company's objectives, as well as to increase the motivation to reach and exceed the company's financial targets. The Share Rights Program 2020 has been designed so that the program includes both current and future senior executives and other key employees.

By offering Share Rights that are based on both share price development and partly on strategic goals, the participants are premised for increased shareholder value/value-creating measures. The Share Rights Program 2020 also rewards employees' continued loyalty and thus the long-term value growth of the company. After these considerations, the Board of Directors considers that the Share Rights Program 2020 will have a positive effect on the future development of the Hansa Biopharma group and will consequently be beneficial for both the company and its shareholders.

#### *The preparation of the proposal*

The Share Rights Program 2020 has been prepared by the company's Board of Directors and its Remuneration Committee in consultation with external advisors. The Share Rights Program 2020 has been discussed by the Board of Directors at a meeting held in May 2020.

#### *Previous incentive programs in Hansa Biopharma*

For a description of the company's other long-term incentive programs, please refer to the company's Annual Report for 2019, pages 62-66, and the company's website, [www.hansabiopharma.com](http://www.hansabiopharma.com). In addition to the described incentive program, there are no other long-term incentive programs in Hansa Biopharma.

#### *Terms*

The resolution of the General Meeting regarding the implementation of the Share Rights Program 2020 according to item 18(a) above is conditional on the meeting either deciding in accordance with the Board of Director's proposal according to item 18(b) above, or in accordance with the Board of Director's proposal according to item 18(c) above.

#### *Majority requirement*

The resolution of the General Meeting pursuant to item 18(a) above requires a majority of more than half of the votes cast. A decision according to the proposal under item 18(b) above is valid only where supported by shareholders holding not less than nine-tenths of both the votes cast and of the shares represented. For a valid decision according to the proposal under item 18(c) above, a majority of more than half of the votes cast shall be required.

#### **Proposal to adopt a long-term incentive program based on employee stock options for employees at Hansa Biopharma (item 19)**

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term incentive program for employees of the Hansa Biopharma group, within the framework of LTIP 2020, ("**Option Program 2020**") in accordance with items 19(a) - 19(b) below. The resolutions under items 19(a) and (b) below are proposed to be conditional upon each other, respectively. In the event that the majority requirement for item 19(b) below is not met, the Board of Directors proposes that the company be able to enter into an equity swap arrangement with a third party in accordance with item 19(c) and the subsequent decisions under items 19(a) and (c) shall then be conditional upon each other. The Option Program 2020 is proposed to include a maximum of 15 employees within the Hansa Biopharma group.

#### ***Proposal regarding the adoption of Option Program 2020 (item 19 (a))***

##### *The program in brief*

The Option Program 2020 consist of employee stock options that can be allotted to the CEO and other senior executives. The employee stock options have a vesting period of 3 years, after which the holder is entitled to exercise the options for ordinary shares during a period of one month. The last day for allotment under the Option Program 2020 shall be the day before the Annual General Meeting for Hansa Biopharma 2021.

The Board of Directors therefore proposes, for delivery of ordinary shares under the Option Program 2020, that the meeting resolves on the transfer of a maximum of 658,164 warrants. The right to subscribe for warrants shall vest with the wholly owned subsidiary Cartela R&D AB, which shall hold the warrants to ensure delivery of shares to participants upon exercise of employee stock options as well as to dispose of the warrants to secure costs for social contributions, respectively. Each warrant entitle the holder to subscribe for one ordinary share. The warrants are issued free of charge to Cartela R&D AB.

##### *Terms and conditions*

The company will allot employee stock options to the CEO and other senior executives. Each option entitles the employee to acquire one share in Hansa Biopharma in accordance with the following terms and conditions:

- The employee stock options will be allotted free of charge.
- Allotment requires that an acquisition of employee stock options can take place legally and that, according to the Board of Director's assessment, it can be carried out with reasonable administrative and financial efforts. The last day for allotment of employee stock options shall be the day before the Annual General Meeting 2021.
- Each employee stock option that is transferred entitles the holder to acquire one share in the company, provided that the participant, with certain exceptions, is still employed within the group, at an exercise price corresponding to the higher of (i) 125 per cent of the volume weighted average share price during the 10 trading days immediately preceding the respective allotment of the employee stock options, or (ii) SEK 125.
- The employee stock options are vested over a period of three years from the time when allotment to the participants has taken place. The employee stock options entitle, after they have been vested in accordance with the above, the holder to subscribe for shares during one month.
- The employee stock options shall not constitute securities and may not be transferred or pledged.

*Recalculation due to split, consolidation, new share issue, etc.*

The exercise price for employee stock options, determined as set out above, shall be rounded to the nearest SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The exercise price and the number of shares that each employee stock option entitles to subscription for shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with market practice. Upon full exercise of the options, the share capital will increase by SEK 658,164.

*Preparation of the proposal, design and administration*

The Board of Directors, or a special committee set up by the board, shall be responsible for preparing the detailed design and administration of the terms and conditions of the Option Program 2020, in accordance with the presented terms and guidelines including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue and/or similar measures. In connection therewith, the Board of Directors shall be entitled to make adjustments to meet specific foreign regulations or market conditions. The Board of Directors shall also be entitled to make other adjustments if significant changes occur in the Hansa Biopharma group or in its environment that would result in that the adopted terms for the Option Program 2020 no longer fulfils their objectives or the rationale for the proposal including, inter alia, that adjustments may be decided due to potential effects from or related to COVID-19.

*Allocation of employee stock options*

The right to receive employee stock options shall accrue to the CEO and senior executives, current and future. The maximum allotment amounts to 128,760 employee stock options to the CEO and 377,520 employee stock options for other senior executives, as applicable.

<b>Category</b>	<b>Maximum number of persons</b>	<b>Maximum number of employee stock options</b>	<b>Maximum number of employee stock options per person within the category</b>
CEO	1	128,760	128,760
Other senior executives	14	377,520	64,380

Board members shall not be eligible to participate in the Option Program 2020.

*Scope and costs for the Option Program 2020*

Costs related to the employee stock options are estimated to amount to SEK 11.2 million, excluding social contributions, accounted in accordance with IFRS 2 based on the following assumptions: (i) that 506,280 employee stock options are allotted, (ii) that the share price, at the beginning of the Option Program 2020, is SEK 120.00 per ordinary share, and (iii) an estimated annual turnover of personnel of 5 per cent. Based on the same assumptions as above, and subject to social contributions of 30 per cent, and a share price increase of 75 per cent from the start of the Option Program 2020 until the employee stock options are exercised, the costs for social contributions are estimated to amount to SEK 7.8 million. The total cost, including costs according to IFRS 2, is therefore estimated to SEK 6.3 million per year, based on the same assumptions as above.

*Dilution and effects on key ratios*

Upon maximum allotment of employee stock options, 506,280 warrants will be issued for new subscription of ordinary shares pursuant to the Option Program 2020, together with 151,884 warrants that can be used to cover social contributions as a result of the Option Program 2020, the dilution effect will amount to approximately 1.6 per cent of the number of ordinary shares in the company.

Given the above assumptions regarding scope and costs, and that Option Program 2020 was introduced in 2018 instead, it is estimated that the key figure earnings per share for full year 2019 would have decreased from SEK -9.00 to approximately SEK -9.15.

If all outstanding incentive programs in the company are included in the calculation, including the Board of Directors' proposal for the Annual General Meeting 2020 on the adoption of a long-term incentive program (performance-based share rights), the corresponding maximum dilution, at the time of the Annual General Meeting, amounts to approximately 5.3 per cent of the share capital.

#### *Delivery of shares pursuant to the Option Program 2020*

In order to ensure delivery of shares in accordance with the Option Program 2020 and to cover costs related to social contributions, the Board of Directors proposes that the Annual General Meeting resolves on the issue and exercise of warrants in accordance with item 19(b) below, or, that an equity swap is entered into in accordance with item 19(c).

#### ***Proposal regarding issue and transfer of warrants (item 19 (b))***

The Board of Directors proposes that the company shall issue not more than 658,164 warrants to secure the delivery of ordinary shares and to secure social contribution costs, of which the company's share capital may be increased by a maximum of SEK 658,164.

The right to subscribe for warrants shall only vest with the subsidiary Cartela R&D AB, with the right and obligation to dispose of the warrants as described above, primarily with regard to transfer to participants in the Option Program 2020 and transfer to a participating bank for hedging of social contributions due to the Option Program 2020. Each warrant entitles the holder to subscribe for one ordinary share. The warrants shall be issued free of charge to Cartela R&D AB. There can be no over-allotment. The warrants are otherwise subject to the terms and conditions set forth in the Board of Directors' complete proposal.

#### ***Equity swap arrangements with third parties (item 19(c))***

In the event that the required majority for item 19(b) above cannot be achieved, the Board of Directors proposes that the Annual General Meeting 2020 resolves to hedge the Option Program 2020 by allowing Hansa Biopharma to enter into equity swap arrangements with third parties on market terms, where the third party in its own name will be able to acquire and transfer ordinary shares in Hansa Biopharma to the participants.

#### *The background and rationale for the proposal*

The purpose of the Option Program 2020 is to create the conditions for motivating and retaining competent employees within the Hansa Biopharma group and to increase the coherence between the employees', shareholders' and the company's objectives, as well as to increase the motivation to reach and exceed the company's financial targets. The Option Program 2020 has been designed so that the program includes both current and future senior executives.

By offering options that are based on the share price development, the participants are premised for increased shareholder value. The Option Program 2020 also rewards employees' continued loyalty and thus the long-term value growth of the company. After these considerations, the Board of Directors considers that the Option Program 2020 will have a positive effect on the future development of the Hansa Biopharma group and will consequently be beneficial for both the company and its shareholders.

#### *The preparation of the proposal*

Option Program 2020 has been prepared by the company's Board of Directors and its Remuneration Committee in consultation with external advisors. Option Program 2020 has been discussed by the Board of Directors at a meeting held in May 2020.

#### *Previous incentive programs in Hansa Biopharma*

For a description of the company's other long-term incentive programs, please refer to the company's Annual Report for 2019, pages 62-66, and the company's website, [www.hansabiopharma.com](http://www.hansabiopharma.com). In addition to the described incentive programs, there are no other long-term incentive programs in Hansa Biopharma.

#### *Majority requirement*

The resolution of the General Meeting pursuant to item 19(a) and (b) above, respectively, is valid only where supported by shareholders holding not less than nine-tenths of both the shares

voted and of the shares represented. For a valid decision according to the proposal under item 19(a) and 19(c) above, a majority of more than half of the votes cast shall be required.

***Proposal regarding resolution on authorization for the Board of Directors to resolve on new issue of ordinary shares and warrants and/or convertibles (item 20)***

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period up to the next Annual General Meeting, to adopt decisions, whether on one or several occasions and whether with or without pre-emptive rights for the shareholders, to issue ordinary shares and/or warrants and/or convertibles with the right to subscribe/convert to ordinary shares. The number of shares issued, or number of shares created in connection with conversion of warrants and/or convertibles, may not correspond to a dilution of more than 10 per cent of the total number of shares outstanding after full exercise of the hereby proposed authorization. It should also be possible to make such an issue resolution stipulating payment in cash, in kind, the right to offset debt or other conditions. The purpose of the authorization is to increase the financial flexibility of the company and the acting scope of the Board of Directors as well as to potentially broaden the shareholder base.

The Board of Directors, or any person appointed by the Board of Directors, shall have the right to make any adjustments or amendments of the above resolution which may be required in connection with the registration of such resolution and to take any other measure deemed necessary for the execution of the resolution.

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***Majority requirements***

For a valid decision to introduce a long term incentive program for employees in the form of performance based share rights (item 18(b)) and a long term incentive program for employees in Hansa Biopharma in the form of employee stock options (item 19(b)) it is required that the proposals be supported by shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the Annual General Meeting. Resolutions in accordance with items 17 and 20 above requires approval of at least two thirds (2/3) of the shares represented and votes cast at the Annual General Meeting.

***Other information***

At the time this notice was issued, the total number of shares in the company amounts to 41,447,564, of which 40,026,107 ordinary shares and 1,421,457 class C shares. All class C shares are held in treasury. The total number of votes in the company amounts to 40,168,252.7, of which the company holds 142,145.7 votes.

The shareholders are reminded of their right to require information in accordance with Chapter 7 Section 32 of the Swedish Companies Act. The annual report and the auditor's report for the financial year 2019, and other supporting documents for the general meeting, including complete proposals from the Board of Directors, the proposal and motivated statement from the Nomination Committee as well as the statement from the auditor pursuant to Chapter 8 Section 54 of the Swedish Companies Act will be available to the shareholders at the company's office at Scheelevägen 22, SE-220 07 Lund, Sweden, and on the company's webpage [www.hansabiopharma.com](http://www.hansabiopharma.com), no later than June 2, 2020, and will be sent to shareholders who so request and state their postal address.

For information on how your personal data is processed, see the integrity policy that is available at Euroclear's webpage [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

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*This is an in-house translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

Lund, May 2020

**Hansa Biopharma AB (publ)**

*The Board of Directors*