

Press release

EQL PHARMA

Lund 23 November 2021
EQL Pharma AB (publ)
Reg. No. 556713-3425

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.

Notice of extraordinary general meeting in EQL Pharma AB

The shareholders in EQL Pharma AB, Reg. No. 556713-3425, are hereby invited to the extraordinary general meeting to be held on Friday 10 December 2021.

In light of the ongoing Covid-19 pandemic and in order to reduce the risk of infection spreading, the board of directors has decided that the meeting will be held only by advance voting (postal vote) in accordance with temporary legislation. This means that the meeting will be conducted without the physical presence of shareholders, proxies or external parties and that shareholders' exercise of voting rights at the meeting can only take place by shareholders voting in advance in the order prescribed below. Information on the resolutions passed by the meeting will be published on Friday 10 December 2021, as soon as the outcome of the advance voting is finally compiled.

Right to participate and notification

Shareholders wishing to attend the meeting by advance voting must:

- be registered in the company's share register kept by Euroclear Sweden AB as of Thursday 2 December 2021, and
- have notified their participation no later than Thursday 9 December 2021 by casting their advance vote to the company in accordance with the instructions under the heading "Voting in advance" below so that the advance vote is received by the company no later than that day.

Trustee-registered shares

Shareholders whose shares are trustee-registered in the name of a bank or other trustee must, to be able to exercise their voting rights at the meeting by advance voting, request the trustee to register their shares in their own name with Euroclear Sweden AB (so called "voting rights registration"). Such voting rights registration must be implemented by the trustee no later than as of Monday 6 December 2021. Accordingly, shareholders must well in advance before this date notify their trustee of their request of such voting rights registration.

Voting in advance

Shareholders may exercise their voting rights at the meeting only by voting in advance, so called postal voting in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of meetings in companies and other associations. A special form shall be used for advance voting. The form is available on the company's website (www.eqlypharma.com). The advance voting form is considered as the notification of attendance to the meeting. The completed voting form must be submitted to the company no later than on Thursday 9 December 2021. The completed and signed form shall be sent to EQL Pharma AB, Anna Jönsson, Stortorget 1, SE-222 23 Lund, Swden. A completed form may also be submitted electronically and is to be sent to anna.jonsson@eqlypharma.com. If a shareholder votes in advance through a proxy, a written and dated power of attorney signed by the shareholder must be attached to the form. A proxy form is available on the company's website (www.eqlypharma.com). If the shareholder is a legal entity, a registration certificate or equivalent document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid. Further instructions and conditions are included in the advance voting form.

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Proposed agenda:

0. Opening of the meeting.
1. Election of Chairman of the meeting.
2. Preparation and approval of the register of voters.
3. Approval of the agenda.
4. Election of one or two persons to confirm the minutes.
5. Determination as to whether the meeting has been duly convened.
6. Resolution on implementation of a long-term incentive program.
7. Closing of the meeting.

Proposed resolutions

Item 1: Election of Chairman of the meeting

The board of directors proposes that the Chairman of the board of directors, Anders Månsson, is elected as Chairman of the meeting or, in his absence, the person appointed by the board of directors instead.

Item 2: Preparation and approval of the register of voters

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

Item 4: Election of one or two persons to confirm the minutes

Anna Jönsson is proposed to, together with the Chairman, confirm the minutes of the meeting, or in her absence, the person appointed by the board of directors instead. The assignment to confirm the minutes also includes controlling the register of voters and that received advance votes are correctly reproduced in the minutes.

Item 6: Resolution on implementation of a long-term incentive program

The board of directors proposes that the meeting resolves to implement a long-term incentive program for the company's Chief Operating Officer and Executive Vice President, as well as CEO-designate, based on issue of warrants (the "**Warrants Program 2021/2025 II**").

To implement the Warrants Program 2021/2025 II, the board of directors proposes that the meeting resolves on directed issue of warrants, on the following terms and conditions:

1. A maximum of 400,000 warrants shall be issued within the framework of the Warrants Program 2021/2025 II.
2. With deviation from the shareholders' preferential rights, the Warrants Program 2021/2025 II shall only include the company's Chief Operating Officer and Executive Vice President, as well as CEO-designate, who shall have the right to subscribe and be granted all warrants in Warrants Program 2021/2025 II.
3. The overall reason for the implementation of the Warrants Program 2021/2025 II and the deviation from the shareholders' preferential rights are to be able to create possibilities for the company to retain competent staff by offering a long-term ownership engagement for the participant. Such long-term ownership engagement is expected to contribute to an increased alignment of interests

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- between the participant and the shareholders, and also ensure a long-term commitment to the company's development.
4. Subscription of the warrants shall be made on a separate subscription list on 31 December 2021, at the latest, with a right for the board of directors to prolong this period.
 5. Right to subscribe for warrants under the Warrants Program 2021/2025 II requires that the participant, at the time of subscription, is employed by the company (or another company in the EQL Pharma Group) or has signed an agreement regarding it and has not, at such time, informed or been informed that the employment will be terminated.
 6. The participant can subscribe for a lower number of warrants compared to what the participant has been offered. Over-subscription cannot occur.
 7. The warrants shall be issued to the fair market value of the warrants at the time of subscription, which shall be determined by an independent valuation institute in accordance with the Black & Scholes valuation formula.
 8. Payment for the warrants shall be made against cash consideration no later than one week from the time of subscription, with a right for the board of directors to prolong this period.
 9. Each warrant entitles the right to subscribe for one new share in the company for a subscription price per share corresponding to 200 per cent of the volume weighted average price according to Spotlight Stock Market's official price list for shares in the company during ten trading days before the extraordinary general meeting on 10 December 2021. The subscription price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards. The amount that exceeds the share's quota value shall be added to the free share premium fund.
 10. Subscription of shares by virtue of the warrants may be effected from and including 1 September 2025 to and including 30 September 2025.
 11. A share that has been issued by virtue of a warrant confers the right to dividend the first time on the record date for dividends that occurs immediately following effectuation of subscription to such extent that the share has been recorded in the company's share ledger as interim share.
 12. Applicable terms for re-calculation and other terms and conditions for the warrants are set forth in the complete terms and conditions for the warrants.
 13. In case all warrants are exercised for subscription of new shares, the share capital will increase with SEK 18,000.

Other information regarding the Warrants Program 2021/2025 II

As the warrants in the Warrants Program 2021/2025 II will be issued to the participant at their fair market value, it is the company's assessment that no social costs will occur for the company as a result of the Warrants Program 2021/2025 II. The costs related to the Warrants Program 2021/2025 II will hence only be composed of limited costs for implementation and administration of the program.

As per the date of the notice, the number of shares in the company amounts to 29,063,610.

In case all warrants issued in connection with the Warrants Program 2021/2025 II are exercised for subscription of new shares, a total of 400,000 new shares will be issued, which corresponds to a dilution of approximately 1.36 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 utilization of all warrants issued under

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the Warrants Program 2021/2025 II. The dilution had only had a marginal effect on the key figure earnings per share for the financial year 2020/2021.

In the company, there is currently one outstanding incentive program in the form of a warrants program for senior executives and key personnel in the company (Warrants Program 2021/2025) through which a maximum of 142,000 new shares may be issued. If all warrants that have been issued and are proposed to be issued under Warrants Program 2021/2025 II are fully exercised for subscription of shares, a total of 542,000 new shares will be issued, which corresponds to a total dilution of approximately 1.83 percent 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 and proposed warrants, respectively.

The above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms set out in the complete terms and conditions for the warrants.

The proposal for the Warrants Program 2021/2025 II has been prepared by the board of directors in consultation with external consultants.

The company's 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 or Euroclear Sweden AB.

Particular majority requirements

For a valid resolution on the proposal pursuant to item 6, 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 meeting.

Shareholders' right to information

The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda. Requests for such information must be submitted via e-mail to anna.jonsson@eqlpharma.com or by post to EQL Pharma AB, Anna Jönsson, Stortorget 1, SE-222 23 Lund, Sweden, no later than Tuesday 30 November 2021. The information is provided by keeping it available at the company's office and website (www.eqlpharma.com), no later than Sunday 5 December 2021. The information will also be sent within the same time to the shareholders who have requested it and provided their postal or e-mail address.

Meeting documents

A complete proposal for resolution under item 6 and ancillary documents pursuant to the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) and other documents for the meeting, are presented by keeping them available at the company's office, Stortorget 1, SE-222 23 Lund, Sweden, and at the company's website (www.eqlpharma.com) as from no later than two weeks before the meeting, and will also be sent to shareholders who request it and provide their address. The share register of the meeting will also be available at the company's office.

Number of shares and votes in the company

As of the date of this notice to attend the meeting, the total number of shares and votes in the company amounts to 29,063,610. The company does not hold any own shares.

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Processing of personal data

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

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EQL Pharma AB (publ)
The board of directors

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The information was submitted, through the agency of the contact person set out above, for publication on 23 November 2021.

EQL Pharma AB (publ) briefly

EQL Pharma AB specializes in developing and selling generics, i.e. pharmaceuticals that are medically equivalent to reference pharmaceuticals. The company currently has upwards of 20 niche generics (ie generics with limited competition apart from the reference pharmaceutical) approved in the Nordic markets. In addition to these, there is a significant pipeline of additional niche generics for launch in 2021 and beyond. The business is currently entirely focused on prescription pharmaceuticals, including hospital products, in the Nordic region and in selected European markets. EQL Pharma AB conducts its operations in Lund and is listed on the Spotlight Stock Market. EQL Pharma AB conducts extensive development work in collaboration with leading contract manufacturers and pharmaceutical companies in the EU and Asia, among others.