

## **Notice of Annual General Meeting in Swedish Orphan Biovitrum AB (publ)**

The shareholders in Swedish Orphan Biovitrum AB (publ) (Sobi™) Reg. No. 556038-9321, are hereby summoned to the Annual General Meeting (the “**Meeting**”), to be held on Tuesday, 4 May 2021.

Due to the coronavirus and in order to reduce the risk of spreading the virus, the Board has decided that the Meeting should be conducted by way of postal vote pursuant to temporary legislation being in effect in 2021. This means that the Meeting will be held without the physical presence of shareholders, representatives or third parties. The shareholders will therefore only be able to exercise their voting rights by postal voting in the manner prescribed below. Information on the resolutions passed at the meeting will be made available on 4 May 2021 as soon as the result of the postal voting has been finally confirmed.

### ***Registration and notification***

A person who wishes to participate in the Meeting by postal voting must

be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB (the Swedish Central Securities Depository) concerning the circumstances on Monday, 26 April 2021, and

give notice of participation no later than Monday, 3 May 2021, by casting its postal vote in accordance with the instructions under the heading Postal voting below so that the postal voting form is received by Euroclear Sweden AB no later than that day.

As per the day of this notice there are 303,815,511 shares issued in the company. All shares are common shares representing one vote each. The company holds 8,916,033 own common shares, which cannot be represented at the Meeting.

### ***Nominee shares***

To be entitled to participate in the Meeting, a shareholder whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, in addition to giving notice of participation in the Meeting by casting its postal vote, re-register its shares in its own name so that the shareholder is listed in the presentation of the share register as per 26 April 2021. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee’s routines, at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than 28 April 2021 will be taken into account in the presentation of the share register.

***Postal Voting***

The 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 general meetings in companies and other associations.

A special form must be used for the postal vote. The form for postal voting is available at [www.sobi.com](http://www.sobi.com). The postal voting form is considered as the notification of participation at the Meeting.

The completed voting form must be received by Euroclear Sweden AB no later than 3 May 2021. The completed form shall be sent to Swedish Orphan Biovitrum AB (publ), "Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. The completed form may alternatively be submitted electronically and is then to be sent to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Shareholders who are natural persons may also cast their votes electronically through BankID verification via Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/>. Such electronic votes must be casted no later than 3 May 2021.

The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (in its entirety) is invalid. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy/>.

***Powers of attorney***

If the shareholder votes in advance by proxy, a dated written power of attorney shall be enclosed with the form. A proxy form in Swedish and English is held available at the company's website, [www.sobi.com](http://www.sobi.com), and will also be sent to shareholders who request it and who inform the company of their postal address. The power of attorney is valid for one year from the issue thereof or such longer period of time stated in the power of attorney, however not more than five years. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document, not older than one year, shall be enclosed with the form.

***Shareholders' right to receive information***

If a shareholder so requests, and if the Board of Directors determines it can be made without significant harm to the company, the Board of Directors and the CEO shall provide information on circumstances that may affect the assessment of an agenda item, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to another company within the group. A request for such information shall be made in writing to the company no later than 24 April 2021 to Swedish Orphan Biovitrum AB (publ), "Annual General Meeting", SE-112 76 Stockholm or via email to [ir@sobi.com](mailto:ir@sobi.com). The information will be made available at the company's website [www.sobi.com](http://www.sobi.com) and at the company's head office, Tomtebodavägen 23A in Solna, Sweden, no later than 29 April 2021. The information will also be sent to the shareholder who has requested the information and provided its address.

**Proposed agenda**

1. Election of the chairman of the Meeting.
  2. Election of two persons to verify the minutes.
  3. Preparation and approval of the voting list.
  4. Approval of the agenda.
  5. Determination of whether the Meeting has been duly convened.
  6. Presentation of the annual report and the auditor's report as well as the consolidated accounts and the auditor's report for the group.
  7. Resolution regarding adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
  8. Resolution regarding appropriation of the company's profit or loss in accordance with the adopted balance sheet.
  9. Resolution regarding discharge of the members of the Board of Directors and the managing director from liability.
  10. Determination of fees to be paid to the members of the Board of Directors and to the auditor.
  11. Determination of the number of directors and deputy directors and auditors and deputy auditors.
  12. Election of the chairman, the members of the Board of Directors and the auditor.
    - a. Election of Håkan Björklund as member of the Board of Directors (re-election);
    - b. Election of Annette Clancy as member of the Board of Directors (re-election);
    - c. Election of Matthew Gantz as member of the Board of Directors (re-election);
    - d. Election of Helena Saxon as member of the Board of Directors (re-election);
    - e. Election of Staffan Schüberg as member of the Board of Directors (re-election);
    - f. Election of Elisabeth Svanberg as member of the Board of Directors (re-election);
    - g. Election of Filippa Stenberg as member of the Board of Directors (new election);
    - h. Election of Anders Ullman as member of the Board of Directors (new election);
    - i. Election of Håkan Björklund as the chairman of the Board of Directors (re-election);  
and
    - j. Election of Ernst & Young AB as the auditor (re-election).
  13. Resolution regarding approval of the remuneration report.
  14. Resolution regarding amendments to the articles of association.
  15. Resolution regarding the implementation of a Management Programme and an All Employee Programme in accordance with A.I and A.II, respectively, and hedging arrangements in respect thereof in accordance with B or C.
  16. Resolution regarding approval to authorise the issuance of new shares and/or convertible bonds and/or warrants.
  17. Resolution regarding transfer of own shares.
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***Election of chairman of the Meeting (item 1)***

The Nomination Committee of Swedish Orphan Biovitrum AB (publ), which consists of Håkan Björklund (chairman of the Board of Directors), Petra Hedengran, chairman (Investor AB), Lennart Francke (Swedbank Robur Fonder AB) and Thomas Ehlin (Fjärde AP-fonden (AP4)), proposes that Eva Hägg from Mannheimer Swartling Advokatbyrå is elected chairman of the Meeting.

***Election of two persons to approve the minutes (item 2)***

The Board of Directors proposes Petra Hedengran (Investor AB) and Lennart Francke (Swedbank Robur Fonder AB), or in case of impediment, the person or persons instead appointed by the Board, to be elected to approve the minutes. The task of approving the minutes also includes verifying the voting list and that the postal votes received are correctly stated in the minutes of the Meeting.

***Preparation and approval of the voting list (item 3)***

The voting list proposed to be approved is the voting list prepared by Euroclear Sweden AB, based on the Meeting's share register and received postal votes, verified by the persons approving the minutes of the Meeting.

***Appropriation of the company's profit or loss in accordance with the adopted balance sheet (item 8)***

The Board of Directors proposes no dividend and that the company's retained profits are carried forward.

***Fees for the members of the Board of Directors and the auditor (item 10)***

The Nomination Committee proposes the following:

- that fees to be paid to the Board of Directors should be SEK 1,575,000 to the chairman of the Board of Directors and SEK 515,000 to each of the other members of the Board of Directors elected by the Annual General Meeting, that fees for work in the Audit Committee should be SEK 175,000 to the chairman and SEK 105,000 to each other member of such committee, that fees for work in the Compensation & Benefits Committee should be SEK 115,000 to the chairman and SEK 65,000 to each other member of such committee and that fees for work in the Science Committee should be SEK 115,000 to the chairman and SEK 65,000 to each other member of such committee,
- that, in addition to the fees proposed above, for each physical meeting of the Board of Directors held in Sweden, a meeting fee of SEK 10,000 is paid to the members of the Board of Directors that reside in Europe outside the Nordic countries and a meeting fee of USD 3,000 is paid to the members of the Board of Directors that reside outside Europe, and

- that the fees to the auditor should be paid in accordance with normal standards and approved invoice.

***The number of members of the Board of Directors, deputy members, auditors and deputy auditors (item 11)***

The Nomination Committee proposes the following:

- that eight ordinary members of the Board of Directors without deputies should be appointed, and
- that one auditor without any deputy auditor should be appointed.

***Election of the chairman, the members of the Board of Directors and the auditor (item 12)***

The Nomination Committee proposes the following:

- that Håkan Björklund, Annette Clancy, Matthew Gantz, Helena Saxon, Staffan Schüberg and Elisabeth Svanberg should be re-elected as ordinary members of the Board of Directors, that Filippa Stenberg and Anders Ullman should be elected as new ordinary members of the Board of Directors and that Håkan Björklund should be re-elected as chairman of the Board of Directors, and
- that Ernst & Young AB should be re-elected as auditor of the company until the end of the Annual General Meeting 2022, in accordance with the Audit Committee's recommendation.

***Filippa Stenberg***

Filippa Stenberg (born 1985) has a M.Sc. in economics from Stockholm School of Economics.

Ms. Stenberg is Investment Manager at Investor AB. She has previously worked as an analyst at Swedbank LC&I.

***Anders Ullman***

Anders Ullman (born 1956) has a MD-PhD in Clinical Pharmacology.

Dr. Ullman is a member of the board of directors of Verona Pharma plc. He was the Head of the COPD center at the Sahlgrenska University Hospital 2015-2020. He has more than 20 years of experience from several executive positions within research and development in the international pharmaceutical industry, including AstraZeneca, Bayer Pharmaceuticals, Biovitrum, Nycomed/Takeda and Baxter Bioscience.

***The Nomination Committee recommends the elected board members to build their own holdings of shares in the company***

Similar to previous years, the Nomination Committee recommends the Board of Directors of Swedish Orphan Biovitrum AB (publ) to establish a shareholding policy pursuant to which the members of the Board of Directors, who do not already have such holding, are expected to, over a five year period, acquire an ownership in Swedish Orphan Biovitrum AB (publ) shares with a market value which is expected to correspond to at least one year board remuneration, before taxes, excluding remuneration for committee work.

***Approval of the remuneration report (item 13)***

The Board proposes that the Meeting resolves to approve the remuneration report pursuant to Chapter 8, section 53 a of the Swedish Companies Act.

***Amendments of the articles of association (item 14)***

According to Chapter 7, Section 6 of the Swedish Companies Act, it may be stated in the articles of association that persons not being shareholders of the company shall be entitled to attend or in any other manner follow the discussions at a general meeting. Furthermore, according to Chapter 7, Section 4 of the Swedish Companies Act the Board of Directors may collect proxies for the general meeting if it is specified in the articles of association. According to Chapter 7, Section 4 a of the Swedish Companies Act it may also be stated in the articles of association that the Board of Directors may decide that the shareholders shall be able to exercise their voting rights by post before the general meeting.

In order to be able to use the alternatives provided by the Swedish Companies Act to decide on proxy collection and postal voting as well as to decide on attendance at a general meeting for persons not being shareholders, the Board of Directors proposes that a new paragraph 4 and 5 are included in article 8 in the articles of association. The wording proposed by the Board of Directors is set out below.

*§ 8, fourth and fifth paragraphs (new)*

*The Board of Directors may resolve that persons not being shareholders of the company shall be entitled, on the conditions stipulated by the Board, to attend or in any other manner follow the discussions at a general meeting.*

*The Board of Directors may collect proxies pursuant to the procedure stated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act. The Board of Directors may decide before a general meeting that the shareholders shall be able to exercise their voting rights by post before the general meeting pursuant to Chapter 7, Section 4 a of the Swedish Companies Act.*

*Authorisation for the CEO*

The Board of Directors proposes that the CEO shall be authorized to make the minor adjustments to the above resolution that may prove to be necessary in connection with the registration of the articles of association with the Swedish Companies Registration Office.

### *Majority requirements*

A valid resolution requires approval of shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Annual General Meeting.

### ***Implementation of a Management Programme and an All Employee Programme in accordance with A.I and A.II, respectively, and hedging arrangements in respect thereof in accordance with B. or C. (item 15)***

#### ***Background***

The Board of Directors of Swedish Orphan Biovitrum AB (publ) ("**Sobi**") proposes that the Annual General Meeting 2021 resolves on the implementation of long-term incentive programmes, giving all permanent employees of the Sobi Group the opportunity of becoming shareholders in Sobi. A division into two parts is proposed: (I) one part directed to managers and executives (the "**Management Programme**") and (II) one part directed to all other employees (the "**All Employee Programme**", jointly with the Management Programme, the "**Programmes**"), with separate resolutions on each part.

The overall purpose of the Programmes is to closely align the employees' interests with those of the shareholders and to create a long-term commitment to Sobi. The Management Programme provides Sobi with a crucial component of a competitive total remuneration package with which to attract and retain executives who are critical to Sobi's long-term success. The purpose of the All Employee Programme is to create commitment and motivation for the entire permanent workforce of the Sobi Group. For these reasons the Board of Directors considers that having recurring long-term incentive programmes is a vital and important part of Sobi's total remuneration package.

The Board of Directors of Sobi has evaluated the long-term incentive programmes approved by the Annual General Meeting 2020 and has concluded that the All Employee Programme as well as the Management Programme work well and satisfy the intended purposes.

Similar to the incentive programme approved by the Annual General Meeting 2020, the Programme shall be inspiring, achievable, easy to understand, cost effective to administer, easy to communicate and in line with market practice. Following implementation of the Programme, the Board of Directors intends to carry out an evaluation thereof in order to systematically analyse the achieved results in relation to the aims outlined above. The aim of the evaluation will be to determine whether the Programme satisfies its purposes, and this will also include a review of the outcome and the costs for the Programme.

#### **A. *Implementation of the Programmes***

The Board of Directors proposes that the Annual General Meeting 2021 resolves on implementation of the Programmes in accordance with the principal terms and conditions set out below:

##### **I. *The Management Programme***

It is proposed that the Management Programme be open to no more than 335 permanent employees of the Sobi Group, whereof no more than 269 employees on director level of the Sobi Group ("**Band D**"), no more than 35 employees on vice president level of the Sobi Group ("**Band C**"), no more than 15 pre-selected key employees of the Sobi Group ("**Band B2**"), no more than 15 employees who

are members of the Executive Committee of the Sobi Group (“**Band B1**”) and the CEO of Sobi (“**CEO**”), on the following terms and conditions and the terms and conditions set out in item A.III below.

Performance shares

- a) Each participant in Band D, Band C, Band B2, Band B1 and the CEO will free of charge receive a performance share award under the Management Programme (“**LTIP Award**”) entitling the participant to receive an allocation of a number of Sobi common shares free of charge from Sobi or from a designated third party, subject to the satisfaction of the condition in section e) below as well as the satisfaction of the performance conditions set out in section c) below (“**Management Performance Shares**”). Any Management Performance Shares will be allocated after the expiration of the three-year vesting period, starting on the date the participants in Band D, Band C, Band B2, Band B1 and the CEO are notified by Sobi of their admission to the Management Programme (the “**Vesting Period**”). Sobi must notify the participants in Band D, Band C, Band B2, Band B1 and the CEO of their admission to the Management Programme no later than on 31 December 2021.
- b) The value of the underlying shares at the time of grant in respect of each LTIP Award will amount to (i) 150% of the gross annual fixed salary in 2021 for the CEO, (ii) 75% of the gross annual fixed salary in 2021 for each Band B1 participant, on an individual basis, (iii) 75% of the gross annual fixed salary in 2021 for each Band B2 participant, on an individual basis, (iv) 75% of the average gross annual fixed salary in 2021 for Band C participants, and (v) 35% of the average gross annual fixed salary in 2021 for Band D participants. The share price used to calculate the value of the underlying shares in respect of each LTIP Award, and hence the number of shares to which each LTIP Award entitles, shall be the volume-weighted average price paid for the Sobi common share on Nasdaq Stockholm, adjusted for any dividend payments, during a period of ten trading days immediately prior to the commencement of the Vesting Period.
- c) The portion (if any) of an LTIP Award that will vest at the end of the Vesting Period is based on and subject to the satisfaction of the following performance conditions:

*Absolute TSR<sup>1</sup> increase*

60% of an LTIP Award granted to a participant will be subject to satisfaction of certain levels of absolute TSR increase over the Vesting Period. In order for any vesting related to absolute TSR increase to occur, the TSR must increase by more than 10% over the Vesting Period. In order for full vesting related to absolute TSR increase to occur, the TSR must increase by at least 40% over the Vesting Period. If the TSR increase is between 10% and 40% over the Vesting Period, a linear vesting related to absolute TSR increase will occur. The calculation of the TSR shall for the purpose of the TSR performance condition be based on a comparison of the volume-weighted average price paid for the Sobi common share on Nasdaq Stockholm, adjusted for any dividend payments, during a period of ten trading days immediately prior to the start of the Vesting Period and the volume-weighted average price paid for the Sobi common share on Nasdaq Stockholm, adjusted for any dividend payments, during the last ten trading days of the Vesting Period.

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<sup>1</sup> Total Shareholder Return.



*Annual revenues*

40% of an LTIP Award granted to a participant will be subject to the Sobi Group's actual annual revenues reaching or exceeding the Sobi Group's target annual revenues, as set out in the budget established by the Board of Directors. A comparison shall be made for each of the financial years 2021, 2022 and 2023. If the threshold is reached or exceeded for a financial year, full vesting related to annual revenues in respect of that financial year will occur (i.e. 1/3 of 40%). If the threshold is not reached for a financial year, no vesting related to annual revenues in respect of that financial year will occur.

- d) Management Performance Shares may be allocated only after the expiration of the Vesting Period, unless the Board of Directors of Sobi in an individual case resolves otherwise.
- e) In order for a Management Programme participant to be allocated Management Performance Shares it is a condition that, with certain specific exemptions, he/she has been permanently employed within the Sobi Group for the duration of the whole Vesting Period.
- f) If significant changes in the Sobi Group or in the market occur which, in the opinion of the Board of Directors, would result in a situation where the conditions for allocation of Management Performance Shares become unreasonable, the Board of Directors shall be entitled to make adjustments to the Management Programme, including, among other things, be entitled to resolve on a reduced allocation of Management Performance Shares, or that no Management Performance Shares shall be allocated at all.

*Employee stock options*

- a) In addition to the LTIP Award, the CEO as well as Band B1 and Band B2 participants (approximately 31 employees in total) shall free of charge be awarded employee stock options ("**Options**").
- b) The Options shall not be deemed securities and shall be non-transferable.
- c) The Options shall be awarded as soon as possible after the Annual General Meeting 2021. For new employees awards may take place at a later point in time but no later than on 31 December 2021.
- d) Each Option shall entitle the holder to acquire one Sobi common share ("**Option Share**") at a strike price equivalent to 105% of the volume-weighted average price paid for the Sobi common share at Nasdaq Stockholm, adjusted for any dividend payments, during a period of ten trading days immediately prior to the commencement of the Vesting Period (the "**Strike price**"). The Strike Price shall be rounded to the nearest SEK 0.01, whereby SEK 0.005 shall be rounded upwards. The Strike price and the number of Option Shares that may be acquired for each Option will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.
- e) The value of each award of Options will amount to (i) 150% of the gross annual fixed salary in 2021 for the CEO, (ii) 75% of the gross annual fixed salary in 2021 for each Band B1 participant, on an individual basis and (iii) 75% of the gross annual fixed salary in 2021 for

for each Band B2 participant, on an individual basis. The valuation of the Options will be carried out pursuant to Black & Scholes. The aggregate number of Options awarded will not exceed 2,304,498 and amount to:

CEO: no more than 416,749 Options.

Band B1: no more than between 45,088 and 127,777 Options per person, depending on the size of the gross annual fixed salary in 2021.

Band B2: no more than between 25,647 and 70,739 Options per person, depending on the size of the gross annual fixed salary in 2021.

- f) Each holder of Options shall be entitled to exercise the Options as from the third anniversary of the award date, up to and including the fifth anniversary of the award date ("**Exercise Period**"), subject to satisfaction of the condition in section h) below as well as the satisfaction of the performance condition set out in section g) below. In accordance with customary terms and conditions, it shall be possible to exercise the Options prematurely in the event of, inter alia, compulsory redemption of shares, liquidation or merger.
- g) The vesting of Options will be subject to the Sobi Group's actual average revenues reaching or exceeding the Sobi Group's average target revenues, as set out in the budgets established by the Board of Directors, over the financial years 2021-2023. If the threshold is reached or exceeded, full vesting of Options will occur. If the threshold is not reached, no vesting of Options will occur.
- h) In order for a Management Programme participant to be eligible to exercise Options it is a condition that, with certain specific exemptions, he/she has been permanently employed within the Sobi Group from the start of the Vesting Period up until the time of exercise of Options.
- i) If significant changes in the Sobi Group or in the market occur which would result in a situation where the Board of Directors considers the number of Options subject to exercise to be unreasonable, the Board of Directors shall be entitled to reduce the number of Options subject to exercise. Such reduction may result in the number of Options subject to exercise being reduced to zero. Further, the value of each Sobi common share received upon exercise of Options shall be capped to three times the Strike price, meaning that the number of Sobi common shares delivered to Management Program participants upon exercise of Options may be reduced.

## **II. The All Employee Programme**

It is proposed that the All Employee Programme be open to approximately 820 permanent employees of the Sobi Group ("**Employees**"), on the following terms and conditions and the terms and conditions set out in item A.III below.

- a) The All Employee Programme will require Employees to make investments of their own in common shares in Sobi on Nasdaq Stockholm ("**Employee Investment Shares**"). For each

Employee Investment Share, the Employees will have the possibility to be allocated two common shares in Sobi free of charge ("**Employee Matching Shares**"), from Sobi or from a designated third party. The Employee Matching Shares will be allocated following expiration of the three-year vesting period, starting on the date the Employees are notified by Sobi of their admission to the All Employee Programme (the "**Vesting Period**"). Sobi must notify the Employees of their admission to the All Employee Programme no later than on 31 December 2021.

- b) The maximum number of Employee Investment Shares each Employee may invest in depends on the gross annual average fixed salary for Employees in 2021. Employee Investment Shares may be acquired for an amount corresponding to no more than 2.5% of the gross annual average fixed salary for Employees in 2021.
- c) All Employee Programme participants must purchase Employee Investment Shares in connection with the start of the Vesting Period.
- d) Employee Matching Shares may be allocated only after the expiration of the Vesting Period, unless the Board of Directors of Sobi in an individual case resolves otherwise.
- e) In order for an All Employee Programme participant to be allocated Employee Matching Shares it is a condition that, with certain specific exemptions, he/she has been permanently employed within the Sobi Group for the duration of the whole Vesting Period and that the participant, until the expiration of this Vesting Period, has retained the Employee Investment Shares purchased. Any disposal of Employee Investment Shares prior to the expiration of the Vesting Period will generally result in no Employee Matching Shares being allocated.

**III. *Terms and conditions applying to the Management Programme and the All Employee Programme***

- a) The Board of Directors shall be authorised to establish the detailed terms and conditions for the Programmes. The Board of Directors may, in that regard, make necessary adjustments to satisfy certain regulations or market conditions outside Sweden.
- b) Participation in the Programmes presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Board of Directors.
- c) The Programmes shall jointly comprise no more than 5,499,783 common shares in Sobi, of which 1,852,484 constitute Management Performance Shares, 2,304,498 constitute Option Shares and 211,560 constitute Employee Matching Shares. The remaining 1,131,241 common shares in Sobi are such shares that may be transferred by Sobi in order to cover the cash flow effects associated with the Programmes, primarily social security charges.
- d) The number of Employee Matching Shares, Option Shares and Management Performance Shares, will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

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### *Costs for the Programmes etc.*

The costs for the Programmes, which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and distributed on a linear basis over the Vesting Period. The calculation has been made based on the following assumptions: (i) a market price of the Sobi common share of SEK 140, (ii) no dividend is paid by Sobi during the Programmes, (iii) an assessment of future volatility in respect of the Sobi common share, (iv) full vesting of Management Performance Shares related to annual revenues will occur, and (v) full vesting of Options. In total, this can lead to maximum costs for the Programmes of approximately SEK 223.2 million, excluding social security costs. The costs for social security charges are calculated to approximately SEK 104.7 million assuming an annual share price increase of 10% during the Vesting Period. In addition to what is set forth above, the maximum costs for the Programmes have been based on a share price of SEK 140 at the time of the commencement of the Vesting Period, that the Programmes comprise 1,155 participants in total, that each All Employee Programme participant makes a maximum investment and based on historical employee turnover for the Sobi Group of 8.7%. If the share price increases from SEK 140 with 10% until the implementation of the Programmes the effect on costs would only be marginal as the number of Employee Matching Shares, Management Performance Shares and Option Shares would be reduced correspondingly. Also in case of a decrease in the share price the effect on costs would be marginal. Based on the assumptions above the annual costs for the Programmes, including social security charges, corresponds to approximately 3.9% of Sobi's total annual employee costs.

If the Programmes had been implemented in 2020, if the company had had costs in accordance with the example in the preceding paragraph, and Employee Matching Shares, Management Performance Shares and Option Shares had been allocated in 2020 in accordance with the assumptions in the sample calculation, which among other things assumes an annual share price increase of 10% during the Vesting Period, the earnings per share for the financial year 2020 had decreased by SEK 0.50 to SEK 10.51 and the shareholders' equity per share for the financial year 2020 had decreased by SEK 1.26 to SEK 65.24.

### *Dilution*

Upon full allocation of Employee Matching Shares, Management Performance Shares and Option Shares, the number of shares under the Programmes amounts to 4,368,542 common shares in Sobi, corresponding to a dilution effect of approximately 1.46% of the share capital and the votes. Aggregated with the 1,131,241 shares that may be transferred in order to cover the cash flow effects associated with the Programmes, primarily social security charges, the maximum dilution effect of the Programmes amounts to approximately 1.83% of the share capital and the votes. If all outstanding long-term incentive programmes are included in the calculation, then the corresponding maximum level of dilution amounts to 3.98%.

### *Hedging arrangements*

The Board of Directors has considered different methods for transfer of shares under the Programmes, in order to implement the Programmes in a cost-effective and flexible manner. The Board of Directors has found the most cost-effective alternative to be, and thus proposes that the Annual General Meeting as a main alternative resolves on (i) a directed issue of redeemable and convertible series C shares and (ii) an authorisation for the Board of Directors to resolve on the repurchase of all issued

redeemable and convertible series C shares. Following conversion to common shares in Sobi, the shares are intended to be transferred to the participants of the Programmes as well as transferred on a regulated market in order to cover the cash flow effects associated with the Programmes, primarily social security charges. For this purpose, the Board of Directors further proposes that the Annual General Meeting resolves (iii) on transfers of own common shares free of charge to the participants of the Programmes. As further described in item B.III below, the Board of Directors proposes that shares acquired for the purpose of securing Sobi's obligations under previous incentive programmes also may be transferred under the Programmes. The detailed conditions for the Board of Directors' main alternative are set out in item B. below.

Since the Programmes, in principle, are not expected to give rise to any initial social security payments for the Sobi Group, the Board of Directors has decided not to propose to the Annual General Meeting 2021 to resolve on transfers of own common shares on a regulated market in order to cover such payments. However, prior to the transfers of common shares to the participants of the Programmes, the Board of Directors intends to propose to the Annual General Meeting 2023 that transfers be made of own common shares on a regulated market in order to cover such costs.

Should the majority required under item B. below not be reached, the Board of Directors proposes that Sobi shall be able to enter into an equity swap agreement with a third party, in accordance with item C. below.

#### *Preparations of the proposal*

The Compensation & Benefits Committee of Sobi has prepared guidelines for the proposed Programmes. These guidelines have been presented for and adopted by the Board of Directors.

The Board of Directors has established shareholding guidelines which recommend that the CEO and other members of the Executive Committee (Band B1 participants) accumulate personal holdings in Sobi shares representing a value of an annual gross base salary for the CEO and 50% of an annual gross base salary for other members of the Executive Committee, by maintaining Sobi shares already held as well as Sobi shares allocated under the Programmes and under previous incentive programmes. It is recommended that the personal holding of shares is established within three years from being appointed Executive Committee Member. It is recommended that the CEO and other Executive Committee members maintain shares of such a value for the duration of their appointment as CEO or other Executive Committee member.

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#### ***Hedging arrangements in respect of the Programmes***

##### ***B. Directed issue of redeemable and convertible series C shares, authorisation for the Board of Directors to resolve to repurchase all issued redeemable and convertible series C shares and transfers of own common shares to the participants of the Programmes***

###### ***I. Resolution on a directed issue of redeemable and convertible series C shares***

Increase of Sobi's share capital by no more than SEK 1,810,170.54 through an issue of no more than 3,298,984 series C shares in Sobi. The issue shall be effected on the following terms:

- a) The new shares shall – with deviation from the shareholders’ preferential right to subscribe for shares – be subscribed for only by an external party who has been informed in advance.
- b) The price to be paid for each new share shall correspond to the quotient value of the share at the time of the subscription of the shares.<sup>2</sup>
- c) The new shares shall be subscribed for during the period 5 May – 4 November 2021. Oversubscription is not permitted.
- d) Payment for shares subscribed for shall be effected at subscription of the shares.
- e) The new shares shall be entitled to dividends from and including the financial year 2021.
- f) The new shares will be subject to restrictions as set forth in Chapter 4, Section 6 (conversion provision) and Chapter 20, Section 31 (redemption provision) in the Swedish Companies Act (SFS 2005:551).

**II.** Authorisation for the Board of Directors to decide on a repurchase of all issued redeemable and convertible series C shares

Authorisation for the Board of Directors to decide on a repurchase of all issued redeemable and convertible series C shares in Sobi on the following terms:

- a) Repurchase may be made through a public offer directed to all owners of series C shares in Sobi.
- b) The authorisation is valid and may be exercised on one or several occasions until the Annual General Meeting 2022.
- c) The number of series C shares permitted to be repurchased shall amount to no more than 3,298,984.
- d) Repurchase of shares shall be made at a lowest price per share of 100% and a highest price of 105% of the quotient value, applicable at the time of the subscription of shares according to section B.I above.
- e) Payment for shares repurchased shall be made in cash.
- f) The Board of Directors shall be authorized to establish additional terms for the repurchase.
- g) Repurchase shall also include a so-called interim share, designated by Euroclear Sweden AB as a "paid subscription share" (Sw. *BTA*) relating to a series C share.

The repurchase of own shares is an integrated part of the hedging arrangements for the Programmes. The reason for the proposed possibility to repurchase own shares is that Sobi shall be able to fulfil its obligations pursuant to the Programmes in a cost-effective manner.

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<sup>2</sup> The quotient value of the share as per the day of this notice is approximately SEK 0.55.

**III. Resolution on transfers of own common shares to the participants of the Programmes**

Series C shares have been issued and repurchased by Sobi under previous incentive programmes for the purpose of securing Sobi's obligations under such programmes. Those shares have been converted to common shares. Full allocation of shares will not take place under these programmes and, accordingly, all shares will not be required to secure the obligations under such programmes. The Board of Directors proposes that 2,200,799 common shares, which are no longer required to secure the obligations of Sobi under previous incentive programmes, together with the shares issued and repurchased in accordance with items B.I and B.II above, following conversion to common shares, may be transferred under the Programmes.

Transfers of Sobi's own common shares to the participants of the Programmes may be made on the following terms:

- a) Transfers may be made only of common shares in Sobi, whereby a maximum of 4,368,542 common shares in Sobi (corresponding to 1,852,484 Management Performance Shares, 2,304,498 Option Shares and 211,560 Employee Matching Shares) may be transferred free of charge to participants of the Programmes.
- b) Right to purchase common shares in Sobi free of charge shall – with deviation from the shareholders' preferential rights – be granted to such persons within the Sobi Group who are participants in the Programmes.
- c) Transfers of common shares in Sobi shall be made free of charge at the time and on the other terms that the Programmes' participants are entitled to be allocated shares.
- d) The number of common shares in Sobi that may be transferred under the Programmes will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

**C. Equity swap agreement with a third party**

Should the majority required under item B. above not be reached, the Board of Directors proposes that the Annual General Meeting resolves that the expected financial exposure of the Programmes shall be hedged by Sobi being able to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer common shares in Sobi to participants of the Programmes.

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**Conditions**

The Annual General Meeting's resolution on the implementation of the Management Programme according to item A.I above and the Annual General Meeting's resolution on the implementation of the All Employee Program according to item A.II above, respectively, are conditional upon Annual General Meeting either resolving in accordance with the Board of Directors' proposal under item B. above or in accordance with the Board of Directors' proposal under item C. above.

*Majority requirements, etc.*

Each of the Annual General Meeting's resolutions according to item A.I and item A.II above requires a simple majority of the votes cast. A valid resolution under item B. above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the Annual General Meeting approve the resolution. A valid resolution under item C. above requires a simple majority of the votes cast.

The issue, repurchase and transfer of shares in Sobi are integral parts of the proposed Programmes. Therefore, and in light of the above, the Board of Directors considers it to be advantageous for Sobi and the shareholders that the Programmes' participants are invited to become shareholders in Sobi.

For the purpose of minimising Sobi's costs for the Programmes, the subscription price has been set at the quotient value of the share.

*Previous incentive programmes in Sobi*

For a description of the company's other long-term incentive programmes, reference is made to the company's annual report for 2020, note 10, and the company's website, [www.sobi.com](http://www.sobi.com). No other long-term incentive programmes than those described herein or in the annual report for 2020, note 10, have been implemented in Sobi.

*Authorisation for the CEO*

The Board of Directors proposes that the CEO shall be authorized to make the minor adjustments to the above resolution regarding the directed issue of redeemable and convertible series C shares in connection with the registration thereof with the Swedish Companies Registration Office (Sw: *Bolagsverket*) and Euroclear Sweden AB.

***Approval to authorise the issuance of new shares and/or convertible bonds and/or warrants (item 16)***

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to resolve, on one or several occasions, prior to the next Annual General Meeting, on a pre-emptive or non-pre-emptive basis, on the issuance of shares and/or convertible bonds and/or warrants. Such resolution may provide for payment in kind, payment against set-off of claims and/or on other conditions. The number of shares that may be issued, the number of shares that convertible bonds may be converted into and the number of shares that may be subscribed for by the exercise of warrants may not exceed 33,750,000 shares in total.

If the authorisation is exercised in full, the dilution would amount to approximately 10% of the number of shares in the company (counted after the authorisation has been fully exercised).

The Board of Directors, or any person appointed by it, is authorised to make any minor adjustments to the resolution that may be necessary to enable registration with the Swedish Companies Registration Office.



*Majority requirements, etc.*

The purpose of the authorisation is to enable payment through the issuance of own financial instruments in connection with possible transactions that the company may make as well as to raise capital in order to finance completed or future transactions that the company may make. A valid resolution in accordance with the Board of Directors' proposal requires that shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the Annual General Meeting support the resolution.

***Transfer of own shares (item 17)***

The Board of Directors proposes that the Annual General Meeting resolves that not more than 215,908 common shares may, prior to the Annual General Meeting 2022, be transferred for the purpose of covering certain payments, primarily social security charges that may occur in relation to the Incentive Programme 2018. Transfer of shares shall be effected on Nasdaq Stockholm at a price within the, at each time, prevailing price interval for the share. The number of shares that may be transferred shall be subject to recalculation in the event of an intervening bonus issue, split, rights issue and/or other similar events.

*Majority requirements, etc.*

The purpose of the Board of Directors' proposal to transfer shares is to secure for future cash flow effects due to payments of social security costs connected with the Incentive Programme 2018. A valid resolution requires approval of shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Annual General Meeting.

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***Documents***

Information regarding all board members proposed to the Board of Directors of Swedish Orphan Biovitrum AB (publ) as well as the Nomination Committee's proposal and motivated opinion are available on the company's website. The annual report, the audit report, the auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act regarding the remuneration guidelines for the group management, the remuneration report pursuant to Chapter 8, Section 53 a of the Swedish Companies Act, and the Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act are presented by being available at the company's head office at Tomtebodavägen 23A, in Solna, Sweden, and at the company's website, [www.sobi.com](http://www.sobi.com), by 13 April 2021 at the latest. The documents will be sent without charge to those shareholders who so request and who inform the company of their postal address. In respect of the other items, complete proposals are provided under the respective item in the notice. The general meeting share register will be available at the company's head office at Tomtebodavägen 23A, in Solna, Sweden.

***Processing of personal data***

For information on how personal data is processed in connection with the Annual General Meeting, visit <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Stockholm in March 2021  
Swedish Orphan Biovitrum AB (publ)  
The Board of Directors