

# Press release

Lund 7 July 2021

EQL Pharma AB (publ)

Reg. No. 556713-3425

EQL PHARMA

*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 annual general meeting in EQL Pharma AB

**The shareholders in EQL Pharma AB, Reg. No. 556713-3425 ("EQL Pharma"), are hereby invited to the annual general meeting to be held on Tuesday 17 August 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 annual general meeting will be held only by advance voting (postal vote) in accordance with temporary legislation. This means that the annual general meeting will be conducted without the physical presence of shareholders, proxies or external parties and that shareholders' exercise of voting rights at the annual general meeting can only take place by shareholders voting in advance in the order prescribed below. Information on the resolutions passed by the annual general meeting will be published on Tuesday 17 August 2021, as soon as the outcome of the advance voting is finally compiled.

### Right to participate and notification

Shareholders wishing to attend the annual general meeting by advance voting must:

- be registered in the company's share register kept by Euroclear Sweden AB as of Monday 9 August 2021, and
- have notified their participation no later than Monday 16 August 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 annual general 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 Wednesday 11 August 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 annual general meeting only by voting in advance, so called postal voting in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form shall be used for advance voting. The form is available on the company's website ([www.eqlpharma.com](http://www.eqlpharma.com)). The advance voting form is considered as the notification of attendance to the annual general meeting. The completed voting form must be submitted to the company no later than on Monday 16 August 2021. The completed and signed form shall be sent to EQL Pharma

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AB, Anna Jönsson, Stortorget 1, SE-222 23 Lund, Sweden. A completed form may also be submitted electronically and is to be sent to [anna.jonsson@eqlpharma.com](mailto:anna.jonsson@eqlpharma.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.eqlpharma.com](http://www.eqlpharma.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.

## 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. Submission of the annual report and the audit report as well as the consolidated annual report and consolidated audit report.
7. Resolutions on
  - a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet;
  - b) the allocation of the company's result in accordance with the adopted balance sheet; and
  - c) the discharge of the members of the board of directors and the CEO from liability.
8. Determination of
  - a) the number of members of the board of directors and deputy board members.
  - b) the number of auditors and deputy auditors.
9. Determination of
  - a) remuneration to the members of the board of directors.
  - b) remuneration to the auditors.
10. Election of members of the board of directors and Chairman of the board of directors.
  - a) Anders Måansson (re-election).
  - b) Christer Fåhraeus (re-election).
  - c) Linda Neckmar (re-election).
  - d) Rajiv I Modi (re-election).
  - e) Per Ollermark (new election).
  - f) Per Svangren (new election).
  - g) Chairman: Anders Måansson (re-election).
11. Election of auditor.
12. Resolution on instruction for the Nomination Committee.
13. Resolution on implementation of a long-term incentive program.
14. Closing of the meeting.

## Proposed resolutions

*Item 1: Election of Chairman of the meeting*

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The Nomination Committee, consisting of Emanuel Eriksson (Chairman), representing own holdings, Christer Fähræus, representing Fårö Capital AB, and Rajiv I Modi, representing Cadila Pharmaceuticals Ltd., 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 Nomination Committee 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 7 b: Resolution regarding allocation of the company's result in accordance with the adopted balance sheet*

The board of directors proposes that no dividends are paid and that the available funds are carried forward.

## *Item 8 a: Determination of the number of members of the board of directors and deputy board members*

The Nomination Committee proposes that the board of directors shall be composed of six board members without deputy board members, for the period until the end of the next annual general meeting.

## *Item 8 b: Determination of the number of auditors and deputy auditors*

The Nomination Committee proposes that one registered accounting firm, without a deputy auditor, is appointed as auditor, for the period until the end of the next annual general meeting.

## *Item 9 a: Determination of remuneration to the members of the board of directors*

The Nomination Committee proposes that board remuneration shall be paid with SEK 250,000 to the Chairman of the board of directors (unchanged since previous year) and with SEK 100,000 to each of the other board members who are not permanent employees in the company (unchanged since previous year).

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## *Item 9 b: Determination of remuneration to the auditors*

The Nomination Committee proposes that remuneration to the auditor shall be paid in accordance with approved invoice.

## *Item 10: Election of members of the board of directors and Chairman of the board of directors*

The Nomination Committee proposes that Anders Måansson, Christer Fåhraeus, Linda Neckmar and Rajiv I Modi are re-elected as members of the board of directors, that Per Ollerman and Per Svangren are elected as new members of the board of directors, and that Anders Måansson is re-elected as Chairman of the board of directors. The current board members Lars Holmqvist and Maria Bech have declined re-election.

Per Ollerman, born 1960, is currently the acting CFO of Polarium Energy Solutions AB. Per Ollerman

currently also serves as a member of the board of directors and CEO of the own consulting company Turn the key AB. Per Ollerman holds no shares in EQL Pharma. Per Ollerman is considered to be independent in relation to EQL Pharma as well as its senior management and in relation to major shareholders.

Per Svangren, born 1973, is currently consultant and advisor through the consulting company Svangren Life Science Consulting AB. In addition to being a member of the board of directors and CEO in his own Svangren Life Science Consulting AB, Per Svangren is also a member of the board of directors of Barsebäck Golf and Country Club. Per Svangren holds no shares in EQL Pharma. Per Svangren is considered to be independent in relation to EQL Pharma as well as its senior management and in relation to major shareholders.

Information on the board members proposed for re-election can be found at the company website ([www.eqlpharma.com](http://www.eqlpharma.com)) and in the annual report.

## *Item 11: Election of auditor*

The Nomination Committee proposes that Crowe Osborne AB is re-elected as accounting firm. Crowe Osborne AB has informed that the authorized public accountant Olov Strömberg will continue to be the auditor in charge.

## *Item 12: Resolution on instruction for the Nomination Committee*

The Nomination Committee proposes that an instruction for the Nomination Committee shall be adopted in accordance with the following substantial terms.

The Chairman of the board of directors shall, as soon as possible after the registered ownership in the company as of 31 December 2021 is known, contact the three largest registered owners in terms of votes according to the company's share register, and ask them to appoint one member each to the Nomination Committee. If such shareholders do not wish to appoint a member, the following largest registered owners in terms of votes shall be asked in order of size, until three owner representatives have been appointed. The appointed members shall comprise the

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Nomination Committee. The Chairman of the board of directors shall convene but not be a part of the Nomination Committee as a member, but the Nomination Committee may choose to co-opt the Chairman of the board of directors to a part of the work carried out by the Nomination Committee. The Nomination Committee shall then appoint a chairman among its members. The names of the members of the Nomination Committee shall be published by the company no later than six months before the annual general meeting in 2022.

If a shareholder who has appointed a member to the Nomination Committee, before the Nomination Committee's assignment has been completed, receives a lower placement on the list of held votes in the company, the member appointed by the shareholder shall, if the Nomination Committee so decides, be replaced by a new member appointed by the registered shareholder who at the time holds the largest amount of votes and is not already a member of the Nomination committee. Should any of the members of the Nomination Committee, before the Nomination Committee's assignment has been completed, resign for any other reason or cease to represent the shareholder who appointed the member, such member shall, if the one who appointed the member so requests, be replaced by a new member appointed by the shareholder.

The term of office for the appointed Nomination Committee shall run until a new Nomination Committee has taken office. No remuneration for the members' work in the Nomination Committee shall be paid. If necessary, the company shall be able to bear reasonable costs that the Nomination Committee deems necessary for it to be able to fulfill its assignment. The Nomination Committee may also co-opt members to the Nomination Committee if deemed appropriate; a co-opted member shall not, however, have the right to vote in the Nomination Committee.

### *Item 13: Resolution on implementation of a long-term incentive program*

The board of directors proposes that the annual general meeting resolves to implement a long-term incentive program for two senior executives and one key person in the company based on issue of warrants (the "**Warrants Program 2021/2025**").

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

1. A maximum of 142,000 warrants shall be issued within the framework of the Warrants Program 2021/2025.
2. With deviation from the shareholders' preferential rights, the right to subscribe for the warrants shall only vest in two senior executives and one key person in the company following an offer from the board of directors in accordance with the following distribution:

Position	Number of warrants
Strategic Sourcing Director	A maximum of 46,000 warrants.
Reg/QA/PV Director	A maximum of 46,000 warrants.
Other key person (1 person)	A maximum of 50,000 warrants

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3. The overall reason for the implementation of the Warrants Program 2021/2025 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 senior executives and key persons in the company. Such long-term ownership engagement is expected to contribute to an increased alignment of interests between the participants and the shareholders, and also promote a long-term commitment to the company's development.
4. Subscription of the warrants shall be made on a separate subscription list on 7 September 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 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. In connection with allotment, the company shall, unless it entails negative tax consequences for the company or the participant, reserve the right to repurchase warrants if the participant's employment ends or if the participant in turn wishes to transfer the warrants.
6. The participants can subscribe for a lower number of warrants compared to what the participants have 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 after the annual general meeting on 17 August 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.

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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 6,390.

## *Other information regarding the Warrants Program 2021/2025*

As the warrants in the Warrants Program 2021/2025 will be issued to the participants 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. The costs related to the Warrants Program 2021/2025 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 are exercised for subscription of new shares, a total of 142,000 new shares will be issued, which corresponds to a dilution of approximately 0.49 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 the Warrants Program 2021/2025. The dilution had only had a marginal effect on the key figure earnings per share for the financial year 2020/2021.

There are currently no outstanding share-based incentive programs in the company that can cause dilution.

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 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 13, the proposal has to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the annual general meeting.

## **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 items on the agenda, circumstances that may affect the assessment of the company's or its subsidiaries financial position and the

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company's relation to other companies within the Group. Requests for such information must be submitted via e-mail to [anna.jonsson@eqlpharma.com](mailto:anna.jonsson@eqlpharma.com) or by post to EQL Pharma AB, Anna Jönsson, Stortorget 1, SE-222 23 Lund, Sweden, no later than Saturday 7 August 2021. The information is provided by keeping it available at the company's office and website ([www.eqlpharma.com](http://www.eqlpharma.com)), no later than Thursday 12 August 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

Accounting documents, the audit report, complete proposals for resolutions and other documents for the annual general meeting, are presented by keeping them available at the company's office, at Stortorget 1, SE-222 23 Lund, Sweden, and at the company's website ([www.eqlpharma.com](http://www.eqlpharma.com)) as from no later than three weeks before the annual general meeting, and will also be sent to shareholders who request it and provide their address. The share register of the annual general 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 general meeting, the total number of shares and votes in the company amounts to 29,063,610. The company does not hold any own shares.

## Processing of personal data

For information on how your personal data is processed, see

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

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Lund in July 2021  
EQL Pharma AB (publ)  
***The board of directors***

For additional information, please contact:

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*The information was submitted, through the agency of the contact person set out above, for publication on 7 July 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)

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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.