



Stockholm, Sweden

16 April 2019

ANNUAL GENERAL MEETING IN ONCOPEPTIDES AB (PUBL)

The shareholders in Oncopeptides AB (publ), reg. no. 556596-6438, with registered office in the municipality of Stockholm, ("Oncopeptides" or the "Company") are hereby given notice to attend the Annual General Meeting to be held at Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden, Tuesday 21 May 2019 at 2.00 p.m. Coffee will be served starting at 1.00 p.m., at which time the registration for attendees will commence.

Right to participate and notice

Shareholders who wish to participate at the Annual General Meeting must be entered in the share register of the Company, kept by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation), on Wednesday 15 May 2019 and must notify their intention to participate to the Company so that the notification is received by the Company no later than on Wednesday 15 May 2019. Shareholders may bring one or two assistants at the Annual General Meeting if notification of the number of assistants that the shareholder intends to bring has been made to the Company no later than by the aforementioned time.

The notification shall be made in writing to Oncopeptides AB (publ), Luntmakargatan 46, SE-111 37 Stockholm, Sweden, or by e-mail to adrienne.martin-lof@oncopeptides.com. The notification shall include name, personal identification number or corporate registration number, number of shares, address and daytime telephone number and, where applicable, name of assistant, proxy or representative. A notification form is available on the Company's website, www.oncopeptides.com.

Nominee registered shares

In order to be entitled to participate at the Annual General Meeting, shareholders who have their shares registered in the name of a nominee must temporarily re-register the shares in their own name. Shareholders who wish to make such re-registration, so-called voting rights registration, must make such request with their nominee well in advance of Wednesday 15 May 2019, at which time the re-registration must have been made.

Proxy

Shareholders intending to participate by proxy must issue a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity, the power of attorney shall be accompanied by a certified copy of a valid registration certificate of the legal entity (or similar document for a non-Swedish legal entity). The documents must not be older than one year, however the power of attorney may be older in case its wording provides for longer validity, however maximum five years. A power of attorney form is available on the Company's website, www.oncopeptides.com, and will be sent free of charge to shareholders who so request and provide their postal or e-mail address. In order to facilitate registration, original versions of powers of attorney, certificates of registration and other authorization documents should be sent to the Company at the above address well in advance of the Annual General Meeting.

Proposed agenda

1. Opening of the Annual General Meeting;
2. election of chairman of the Annual General Meeting;
3. preparation and approval of voting list;
4. approval of the agenda;
5. election of one or two persons to approve the minutes;
6. determination as to whether the Annual General Meeting has been duly convened;
7. address by the CEO;
8. presentation of the annual report and auditor's report and of the group annual report and the group auditor's report;
9. resolutions in respect of
 - a) adoption of the profit and loss statement and balance sheet and the group profit and loss statement and group balance sheet;
 - b) allocation of the Company's profit or loss in accordance with the adopted balance sheet;
 - c) the discharge from liability for the members of the Board of Directors and the CEO;
10. determination of the number of members of the Board of Directors and the number of auditors to be elected at the Annual General Meeting;
11. determination of directors' and auditors' fees;
12. election of members of the Board of Directors and Chairman of the Board of Directors;
13. election of auditor;
14. resolution on guidelines for remuneration to senior management;
15. resolution on the introduction of a long term incentive program for the Company's senior management and key persons;
16. resolution on the introduction of a long term performance based incentive program for certain members of the Board of Directors;
17. resolution regarding authorization for the Board of Directors to resolve upon issues of shares, warrants and/or convertibles;
18. ending of the Annual General Meeting.

The Nomination Committee's proposed resolutions

Election of chairman of the Annual General Meeting (item 2)

The Nomination Committee proposes that attorney Johan Winnerblad from the law firm Vinge is elected chairman of the Annual General Meeting.

Determination of the number of members of the Board of Directors and the number of auditors to be elected at the Annual General Meeting (item 10)

The Nomination Committee proposes that the Board of Directors should consist of seven directors and that one chartered auditing firm should be elected as auditor.

Determination of directors' and auditors' fees (item 11)

The Nomination Committee proposes remuneration until the end of the annual general meeting 2020 to the Board of Directors with a total cash fee amount of SEK 2,600,000. The proposed remuneration for ordinary work of the of Board of Directors for the period until the end of the annual general meeting 2020 amounts to a total of SEK 2,125,000 and shall be allocated in accordance with the following:

- SEK 625,000 to the Chairman of the Board of Directors; and
- SEK 250,000 to each of the other six Board members.

In addition to the above proposed remuneration for ordinary board work, each of the Board members residing in the United States shall receive an additional amount of SEK 90,000 and each of the Board members residing in Europe, but outside the Nordics, shall receive an

additional amount of SEK 45,000.

The proposed remuneration for work within the committees of the Board of Directors for the period until the end of the annual general meeting 2020 amounts to a total of 250,000 SEK and shall be allocated in accordance with the following:

- SEK 75,000 to the Chairman of the Audit Committee and SEK 25,000 to each of the other three members; and
- SEK 50,000 to the Chairman of the Remuneration Committee and SEK 25,000 to each of the other two members.

The Nomination Committee proposes, in accordance with the audit committee's recommendation, that the auditor is paid according to approved invoices.

Election of members of the Board of Directors and Chairman of the Board of Directors (item 12)

The Nomination Committee proposes the re-election of Per Wold-Olsen, Brian Stuglik, Jonas Brambeck, Cecilia Daun Wennborg, Jarl Ulf Jungnelius, Per Samuelsson and Jennifer Jackson, with Per Wold-Olsen as Chairman of the Board of Directors.

Detailed presentations of the persons proposed by the Nomination Committee for re-election are included as an appendix to the Nomination Committee's statement, available on the Company's website, www.oncopeptides.com.

Election of auditor (item 13)

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the election of the chartered auditing firm Ernst & Young AB (EY), with the request that Björn Ohlsson is appointed as auditor in charge.

Resolution on the introduction of a long term performance based incentive program for certain members of the Board of Directors (item 16)

The Nomination Committee proposes that the Annual General Meeting resolves to implement a long term performance based incentive program for certain members of the Board of Directors ("Board LTIP 2019") in accordance with items 16a – 16b below. The resolutions under items 16a – 16b below are proposed to be conditional upon each other. Should the majority requirement for item 16b below not be met, the Nomination Committee proposes that Oncopeptides shall be able to enter into an equity swap agreement with a third party in accordance with item 16c below and resolutions under items 16a and 16c shall then be conditional upon each other.

Board LTIP 2019 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting ("Share Awards") that entitle to shares in Oncopeptides to be calculated in accordance with the principles stipulated below, however not more than 35,000 shares. As part of the implementation of Board LTIP 2019, not more than 35,000 warrants will be issued in accordance with item 16b below.

Proposal for resolution on adoption of a long term performance based incentive program for certain members of the Board of Directors (item 16a)

The rationale for the proposal

The Nomination Committee believes that an equity based incentive program is a central part of a competitive remuneration in order to attract, retain and motivate internationally competent members of the Board of Directors, and will also create aligned interests with shareholders. In the opinion of the Nomination Committee the Board LTIP 2019 as well as the previous years' Board LTIP will increase and strengthen the participants' dedication to

Oncopeptides' operations, improve Company loyalty and that Board LTIP 2019 will be beneficial to both the shareholders and Oncopeptides. By having annual board equity programs, an individual board member can over time build a more meaningful equity position that will further incentivize long term behaviour and also honor members that have served and intend to serve the Company for many years.

Board LTIP 2019 is intended for members of the Board of Directors in Oncopeptides that are independent of the main owners (i.e. excluding members that are associated with the main owners Stiftelsen Industrifonden and HealthCap VI L.P, namely Jonas Brambeck and Per Samuelsson).

Conditions for Share Awards

The following conditions shall apply for the Share Awards:

- The Share Awards shall be granted free of charge to the participants as soon as practicable after the Annual General Meeting.
- The Share Awards shall vest gradually over approximately three years, corresponding to three terms up to the date of, whichever is earliest, (i) the annual general meeting 2022 or (ii) 1 June 2022 (the "Vesting Date"), where each term equals the period from one annual general meeting up until the day falling immediately prior to the next annual general meeting or the Vesting Date, as applicable (each such period a "Term"). The Share Awards shall vest by 1/3 at the end of each Term, provided that the participant is still a Board member of Oncopeptides on said date. In addition to the vesting conditions just stated, the Share Awards are subject to performance vesting based on the development of the Oncopeptides share price, in accordance with the vesting conditions below.
- The Share Awards are subject to performance vesting based on the development of the Oncopeptides share price over the period from the date the Share Awards are allocated ("Grant Date") up to and including the day before the Vesting Date. The development of the share price will be measured based on the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days immediately following the Grant Date and the 10 trading days immediately preceding the Vesting Date. In the event the price of Oncopeptides' share has thereby increased by more than 60 per cent, 100 per cent of the Share Awards shall vest, and should the share price have increased by 20 per cent, 33 per cent of such Share Awards shall vest. In the event of an increase of the share price of between 20 and 60 per cent, vesting of the Share Awards will occur linearly. Should the increase of the share price be less than 20 per cent, no vesting will occur.
- The earliest point in time at which vested Share Awards may be exercised shall be the day falling immediately following the Vesting Date.
- Each vested Share Award entitles the holder to receive one share in Oncopeptides without any compensation being payable provided that the holder is still a Board member of Oncopeptides at the relevant time of vesting. In some customary "good leaver"-situations (including death and permanent incapacity to act as board member due to illness or accident), despite the participant ceasing to be a Board member of Oncopeptides, vesting shall still be possible and this shall also apply during the first annual period up until the day of the annual general meeting 2020.
- The number of Share Awards will be re-calculated in the event that changes occur in Oncopeptides' equity capital structure, such as a bonus issue, merger, rights issue, share split or reverse share split, reduction of the share capital or similar measures.
- The Share Awards are non-transferable and may not be pledged.

- The Share Awards can be granted by the parent company as well as any other company within the Oncopeptides group.
- In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting Oncopeptides, the Share Awards will vest in their entirety upon completion of such transaction.

Allocation

The number of Share Awards that shall be granted to each participant shall equal the below amount for the respective participant divided by the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days preceding the Grant Date.

The Share Awards under Board LTIP 2019 shall be awarded in accordance with the following:

- Share Awards calculated based on SEK 1,350,000 to the Chairman; and
- Share Awards calculated based on SEK 540,000 to each of Brian Stuglik, Cecilia Daun Wennborg, Ulf Jungnelius and Jennifer Jackson.

In any event, Board LTIP 2019 will comprise a total of Share Awards which, if all Share Awards are vested in accordance with the vesting conditions above, entitle to not more than 35,000 shares in Oncopeptides.

Preparation, administration and the right to amend the terms of the Share Awards

The Remuneration Committee of Oncopeptides (excluding any participating member) shall be responsible for preparing the detailed terms and conditions of Board LTIP 2019, in accordance with the above mentioned terms and guidelines. To this end, the Remuneration Committee (excluding any participating member) shall be entitled to make adjustments to meet foreign regulations or market conditions, including resolving on cash or other settlement if deemed favourable for Oncopeptides based on foreign tax regulations.

Preparation of the proposal

Board LTIP 2019 has been initiated by the Nomination Committee and has been structured based on an evaluation of prior incentive programs and market practice for comparable European (including Swedish) listed companies.

Dilution

Assuming a share price at the time of allocation of Share Awards of SEK 130, Board LTIP 2019 will comprise not more than 27,000 shares in total, which corresponds to a dilution of approximately 0.06 per cent on a fully diluted basis. Taking into account also the shares which may be issued pursuant to previously implemented incentive programs in the Company, however, not the proposed incentive program to certain senior executives and key management members, the maximum dilution amounts to 8.7 per cent on a fully diluted basis. The dilution is expected to have a marginal effect on the company's key performance indicator "Earnings (loss) per share".

Information about Oncopeptides' existing incentive programs can be found in Oncopeptides' annual report for 2018, note 24, which will be available on the Company's website, www.oncopeptides.com, on 26 April 2019, and on the Company's website under "Remuneration".

Scope and costs of the program

Board LTIP 2019 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Share Awards shall be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. Social security costs will be expensed in the income statement according to UFR 7 during the vesting period.

Assuming a share price at the time of allocation of Share Awards of SEK 130, an annual increase in the share price of 20 per cent and that the Share Awards at the Grant Date are valued in accordance with a Monte Carlo simulation, the average annual personal cost for Board LTIP 2019 according to IFRS 2 is estimated to approximately SEK 0,7 million before tax. The average annual social security costs are estimated to approximately a total of SEK 0.6 million, based on the above assumptions and social security costs of 31.42 per cent. The average total annual cost for Board LTIP 2019 during the term of the program, including costs according to IFRS 2 and social security costs, is therefore estimated to approximately SEK 1.3 million.

The total cost of the Board LTIP, including all costs referred to above and social security costs, is estimated to amount to approximately 4 million under the above assumptions.

Delivery of shares under Board LTIP 2019

In order to ensure the delivery of shares under Board LTIP 2019, the Nomination Committee proposes that the Annual General Meeting resolves to issue warrants in accordance with item 16b below.

Proposal regarding issue of warrants (item 16b)

In order to ensure the delivery of shares under Board LTIP 2019, the Nomination proposes that the Annual General Meeting resolves to issue not more than 35,000 warrants, whereupon the Company's share capital may be increased by not more than approximately SEK 3,889.

The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only vest with Oncopeptides Incentive AB, a wholly owned subsidiary of Oncopeptides. The reason for the deviation from the shareholders' pre-emptive rights is the implementation of Board LTIP 2019. Oncopeptides Incentive AB shall be entitled to transfer the warrants to participants in Board LTIP 2019, or a financial intermediary in connection with exercise of Share Awards.

The warrants shall be issued free of charge. The exercise price for subscription for shares based on the warrants shall correspond to the share's quota value.

Equity swap agreement with a third party (item 16c)

Should the majority requirement for item 16b above not be met, the Nomination Committee proposes that the Annual General Meeting resolves that Board LTIP 2019 shall instead be hedged so that Oncopeptides can 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 shares of Oncopeptides to the participants.

The Board of Directors' proposed resolutions

Allocation of the Company's profit or loss in accordance with the adopted balance sheet (item 9b)

The Board of Directors proposes that the loss for the year is carried forward.

Resolution on principles for guidelines for remuneration to senior management (item 14)

The board of directors proposes the following guidelines for remuneration to senior management.

Oncopeptides' starting point is that salary and other terms and conditions of employment shall enable Oncopeptides to attract and retain experienced senior management at reasonable costs for Oncopeptides. Remuneration to senior management members shall be determined in accordance with Oncopeptides' remuneration policy, which is adopted annually by the Board of Directors and supplements these guidelines.

The remuneration for senior management consists of fixed salary, variable remuneration, pension and other benefits. In order to avoid that Oncopeptides' senior management take unnecessary risks, there shall be a fundamental balance between fixed and variable remuneration. Furthermore, Oncopeptides' Annual General Meeting may, if it is so resolved, offer long-term incentives programs such as share or share price related incentive programs. These programs are added as an integral part of the total compensation with the aim to support activities that create long-term value appreciation for the shareholders. Each senior management member shall be offered a market level fixed salary based on the complexity of the position and the senior management member's experience, responsibility, competence and performances. In addition, senior management members can, from time to time, be offered variable remuneration (bonus) to be paid in cash. Variable remuneration shall be based on clear, predetermined and measurable performance criteria and milestones, as well as predetermined individual objectives and business objectives, and shall also be designed to promote Oncopeptides' long-term value creation. Variable remuneration paid in cash shall not exceed 50 per cent of the annual fixed salary as regards the CEO and shall not exceed 30 per cent of the annual fixed salary as regards other members of senior management. Senior management members shall be offered pension terms that are in accordance with market practice in the country where the senior management member habitually resides. Non-monetary benefits shall facilitate the work of the senior management members and shall correspond to what is considered reasonable in relation to market practice. Fixed salary during notice period shall not exceed 24 months' fixed salary. Insofar members of the Board of Directors who are elected by the general meeting carry out work in addition to work on the Board of Directors, it shall be possible to remunerate them for such work. The Board of Directors shall be entitled to deviate from the guidelines in individual cases should there be special reasons for doing so. The Board of Directors shall, before every Annual General Meeting, consider whether or not additional share or share price-related incentive programs shall be proposed to the general meeting. It is the general meeting that resolves upon such incentive programs. Incentive programs shall promote long-term value growth and alignment of the interests of the participants and the interests of the shareholders. New share issues and transfers of securities resolved upon by the general meeting in accordance with Chapter 16 of the Swedish Companies Act are not covered by these guidelines to the extent the Annual General Meeting has taken, or will take, such decisions.

Resolution on the introduction of a long term incentive program for the Company's senior management and key persons (item 15)

The Board of Directors proposes the introduction of a long term incentive program, which in all material respects corresponds to the Company's previous long term incentive program Co-worker LTIP 2017 and 2018, for the Company's senior management and key persons (including employees and consultants) in accordance with the following.

The Board of Directors proposes that the Annual General Meeting resolves to implement a long term incentive program for senior management and key persons (including employees and consultants) in Oncopeptides ("Co-worker LTIP 2019") in accordance with items 15a – 15b below. The resolutions under items 15a – 15b below are proposed to be conditional upon each other. Co-worker LTIP 2019 is proposed to include members of senior management and key persons (including employees and consultants as noted above) in

Oncopeptides. Should the majority requirement for item 15b below not be met, the Board of Directors proposes that the Annual General Meeting resolves on item 15c, which means a reduced number of Options (as defined below) and warrants, and resolutions under items 15a and 15c shall then be conditional upon each other. Should the majority requirement for item 15b or 15c below not be met, the Board of Directors proposes that Oncopeptides shall be able to enter into an equity swap agreement with a third party in accordance with item 15d below and resolutions under items 15a and 15d shall then be conditional upon each other.

Co-worker LTIP 2019 is a program under which the participants will be granted, free of charge, options ("Options") subject to three year vesting. All grants of Options will be sized according to a value-based method, where the theoretical value of the Options is considered. Delivery of shares to participants in connection with exercise of vested Options will be enabled through warrants. It is envisaged that the social security costs relating to the exercise of granted and vested Options will be covered by the cash received from the participants at exercise. In connection with the allocation of Options, the Company will however assess, based on e.g. the residence (and hence social security rate) of the participants, whether there is need for a financial hedge through warrants held by the Company or a subsidiary. As part of the implementation of Co-worker LTIP 2019, a total of not more than 2,200,000 warrants will be issued in accordance with item 15b below. The 2,200,000 warrants will cover delivery of shares to participants as well as, if necessary, related social security costs.

Proposal regarding adoption of a long term incentive program for the Company's senior management and key persons (item 15a)

The rationale for the proposal

Co-worker LTIP 2019 is intended for members of senior management and key persons (including employees and consultants) in Oncopeptides. The Board of Directors of Oncopeptides believes that an equity based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate competent members of senior management and key persons (including employees and consultants) in Oncopeptides, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders. The proposed program is key for the Company's ability to attract, retain and motivate competent key persons in the US as well as in Europe in order to scale up the Company's commercial function to prepare for market launch. Oncopeptides is in a critical phase of the development of Melflufen. During the next twelve months the Company expects to report clinical data from its phase 3 study OCEAN and, given a positive read-out, start preparing the filing for market approvals in various markets. In parallel, the Company needs to start preparations for a commercial launch for Melflufen. This will involve, among many things, growing the current organization by initiating the recruitment of a full commercial organization. When recruiting experienced commercial managers and other key employees in the US and in Europe it will be important for Oncopeptides to be able to offer attractive compensation terms. A competitive equity based incentive program will be a key component in order to be able to attract and retain highly skilled and experienced individuals as Oncopeptides prepares for the commercial launch.

The Board of Directors of Oncopeptides believes that Co-worker LTIP 2019 will create a strong alignment of the interests of the participants and the interests of the shareholders. Co-worker LTIP 2019 is adapted to the current position and needs of Oncopeptides. The Board of Directors is of the opinion that Co-worker LTIP 2019 will increase and strengthen the participants' dedication to Oncopeptides' operations, improve Company loyalty and that Co-worker LTIP 2019 will be beneficial to both the shareholders and Oncopeptides.

Conditions for Options

The following conditions shall apply for the Options.

- The Options shall be granted free of charge to the participants.
- The sizing of individual grants will be sized according to a value-based method.
- The Board of Directors shall resolve upon the allocation of Options no later than the day falling three years after the Annual General Meeting (with each respective date of granting being a "Grant Date").
- Each Option entitles the holder to acquire one share in Oncopeptides for a pre-determined exercise price. The exercise price will correspond to the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the five trading days preceding the Grant Date.
- The Options shall vest after a three year period whereby all Options shall vest on the third anniversary of the Grant Date, provided that the holder, with some customary exceptions (including retirement and permanent incapacity to work due to illness or accident), still is employed by Oncopeptides (or, in the case of consultants, still providing services to Oncopeptides).
- The latest point in time at which vested Options may be exercised shall be the seventh anniversary of the Grant Date.
- The number of Options will be re-calculated in the event that changes occur in Oncopeptides' equity capital structure, such as a bonus issue, merger, rights issue, share split or reverse share split, reduction of the share capital or similar measures.
- The Options are non-transferable and may not be pledged.
- The Options can be granted by the parent company as well as any other company within the Oncopeptides group.
- In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting Oncopeptides, the Options will vest in their entirety if the option holder's employment or consultancy engagement, within 24 months following the completion of such event, is involuntarily terminated other than for cause.

Allocation

The Board of Directors shall resolve upon the allocation of Options no later than the day falling three years after the Annual General Meeting. Individual allocation to a participant cannot, under Co-worker LTIP 2017, Co-worker LTIP 2018 and Co-worker LTIP 2019, exceed 600,000 options in total.

The total number of Options that may be allocated to the participants pursuant to Co-worker LTIP 2019 amounts to not more than 2,200,000.

The right to receive Options shall accrue to the Company's employees and consultants. The maximum allocation per category shall be 150,000 Options for the CEO, 950,000 Options for senior management and key employees and 1,100,000 Options for other employees and consultants, as applicable.

Preparation, administration and the right to amend the terms of the Options

The Board of Directors is responsible for preparing the detailed terms and conditions of Co-worker LTIP 2019, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions, including resolving on cash or other settlement if deemed favourable for Oncopeptides based on foreign tax regulations. The Board of Directors may also make other adjustments if significant changes in Oncopeptides or its environment would result in a situation where the adopted terms and conditions of Co-worker LTIP 2019 no longer serve their purpose.

Preparation of the proposal

Co-worker LTIP 2019 has been initiated by the Board of Directors of Oncopeptides and has been structured based on an evaluation of prior incentive programs and market practice for European (including Swedish) listed companies. Co-worker LTIP 2019 has been prepared by the Remuneration Committee and reviewed by the Board of Directors. Co-worker LTIP 2019 is consistent with the Company's principle to resolve upon an incentive program for the Company's senior management and key persons (including employees and consultants) on a yearly basis.

Dilution

The maximum number of shares that may be issued pursuant to an exercise of Options in Co-worker LTIP 2019 will comprise of not more than 2,200,000 shares in total, which corresponds to a dilution of approximately 4 per cent on a fully diluted basis. Taking into account also the shares which may be issued pursuant to the Company's previously implemented employee option programs Employee Option Program 2012/2019, Employee Option Program 2016/2023, Co-worker LTIP 2017 och Co-worker LTIP 2018, including potential realization of financial hedge related to social security costs but excluding existing and proposed incentive programs in the Company to certain members of the board and Founder Option Program, the maximum dilution amounts to approximately 12 per cent on a fully diluted basis. The dilution is expected to have a marginal effect on the Company's key performance indicator "Earnings (loss) per share".

Information on Oncopeptides' existing incentive programs can be found in Oncopeptides' annual report for 2018, note 24, which will be available on the Company's website, www.oncopeptides.com, on 26 April 2019, and on the Company's website under "Remuneration".

Scope and costs of the program

Co-worker LTIP 2019 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Options shall be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. Social security costs will be expensed in the income statement according to UFR 7 during the vesting period.

Assuming a share price at the time of allocation of Options of SEK 130, an annual increase in the share price of 20 per cent and that all Options are allocated up-front under the assumptions set out under "Dilution" above, the average annual cost for Co-worker LTIP 2019 according to IFRS 2 is estimated to approximately SEK 54.5 million per year before tax. The average annual social security costs are estimated to approximately a total of SEK 21.8million, based on the above assumptions, that all Options are fully vested, a remaining four year until maturity date for all Options and social security costs of 31.42 per cent. It is envisaged that the social security costs associated with Co-worker LTIP 2019 will be covered by the cash received from the participants at exercise of Options. If necessary, social security costs will be covered by hedging measures through the issue of warrants which will be exercised by a financial intermediary in connection with the exercise of the Options. In either case, the social security costs associated with Co-worker LTIP 2019 will be fully covered and will hence not affect the Company's cash flow.

The total cost of the Co-worker LTIP, including all social security costs, is estimated to amount to approximately SEK228.9 million under the above assumptions.

The costs associated with Co-worker LTIP 2019 are expected to have a marginal effect on Oncopeptides' key performance indicator "Expenses relating to R&D/operating expenses".

Delivery of shares under Co-worker LTIP 2019

In order to ensure the delivery of shares under Co-worker LTIP 2019 and if necessary for hedging of social security costs, the Board of Directors proposes that the Annual General Meeting resolves to issue and use warrants in accordance with item 15b below.

Proposal regarding issue of warrants (item 15b)

In order to ensure the delivery of shares under Co-worker LTIP 2019, and if necessary for hedging of social security costs, the Board of Directors proposes that the Annual General Meeting resolves to issue not more than 2,200,000 warrants (which includes warrants for potential hedging of social security costs), whereupon the Company's share capital may be increased by not more than approximately SEK 244,445.

The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only vest with Oncopeptides Incentive AB, a wholly owned subsidiary of Oncopeptides AB (publ). The reason for the deviation from the shareholders' pre-emptive rights is the implementation of Co-worker LTIP 2019. Oncopeptides Incentive AB shall be entitled to transfer the warrants to participants or a financial intermediary in connection with exercise.

The warrants shall be issued free of charge. The exercise price for subscription for shares based on the warrants shall correspond to the share's quota value.

Alternative proposal regarding a reduced number of Options and warrants (item 15c)

Should the proposal in item 15b above not get the required supportive votes from the Annual General Meeting to be passed, the Board of Directors proposes that Co-worker LTIP 2019 and the issue of warrants are approved on the same terms and conditions as stated above in item 15a and 15b, however with a reduction so that the maximum total number of Options and warrants amount to 950,000.

This will entail that, based on the assumptions set out in item 15a above:

- the maximum allocation per category will be 150,000 Options for the CEO, 550,000 Options for senior management and key employees and 250,000 Options for other employees and consultants, as applicable;
- the maximum dilution will be approximately 1.7 per cent on a fully diluted basis, and 10 per cent when taking into account also the shares which may be issued pursuant to the Company's previously implemented co-worker option programs and including potential realization of financial hedge related to social security costs (such dilution is expected to have a marginal effect on the Company's key performance indicator "Earnings (loss) per share"); and
- the average annual cost for Co-worker LTIP 2019 according to IFRS 2 is estimated to approximately SEK 23.5 million per year before tax, the average annual social security costs are estimated to approximately a total of SEK 9.4 million and the total cost of the Co-worker LTIP, including all social security costs, is estimated to amount to approximately SEK 98.8 million (the costs associated with Co-worker LTIP 2019 are expected to have a marginal effect on Oncopeptides' key performance indicator "Expenses relating to R&D/operating expenses").

Equity swap agreement with a third party (item 15d)

Should the majority requirement for items 15b or 15c above not be met, the Board of Directors proposes that the Annual General Meeting resolves that Co-worker LTIP 2019 shall instead be hedged so that Oncopeptides can 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 shares of Oncopeptides to the participants.

Resolution regarding authorization for the Board of Directors to resolve upon issues of shares, warrants and convertibles (item 17)

Main proposal (item 17a)

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors to, until the next Annual General Meeting, on one or more occasions, decide upon issuances of new shares, issuance of warrants and/or convertibles. New issues of shares and issues of warrants and/or convertibles may occur with or without preferential rights for shareholders of the Company and may be made either in cash and/or by way of set-off or contribution in kind or otherwise on specific terms. The number of shares issued, or number of shares created in connection with exercise of warrants or conversion of convertibles, may not correspond to a dilution of more than 20 per cent of the total number of shares outstanding at the Annual General Meeting's resolution on the proposed authorization, after full exercise of the hereby proposed authorization. The purpose of the authorisation is to increase the financial flexibility of the company and the acting scope of the board of directors. Oncopeptides is in late stage development of its product candidate Melflufen and the Company is preparing to be ready to build a commercial organization to launch Melflufen on one or several markets, should the clinical data to be reported support an application for marketing authorization. It will be important for Oncopeptides to be able to act in a flexible way to cover the need for financial resources in this important phase of the Company's development. Should the board of directors resolve on an issue with deviation from the shareholders' preferential rights, the reason for this must be to finance an acquisition of operations or, alternatively, to procure capital to finance project development. Upon such deviation from the shareholders' preferential rights, the new issue shall be made at market terms and conditions. The CEO shall be authorized to make such minor adjustments that may be required to register the authorization.

Alternative proposal (item 17b)

If the proposal in item 17a above does not get the required supportive votes from the Annual General Meeting to be passed, the Board of Directors proposes that it is given an authorization to issue new shares, warrants and/or convertibles corresponding to a dilution of not more than 10 per cent, on the same terms and conditions as stated above in item 17a.

Required majority

A valid resolution in respect of

- the introduction of a long term incentive program for the Company's senior management and key persons (items 15b and 15c); and
- the introduction of a long term performance based incentive program for certain members of the Board of Directors (item 16b);

requires that the proposals are supported by shareholders holding at least nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

A valid resolution regarding authorization for the Board of Directors to resolve upon issues of shares, warrants and convertibles (item 17a or alternatively, item 17b) requires support by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

Documents

The annual report, the auditor's report, full proposed resolutions according to items 15-17, the Board of Directors' reports and the auditor's statements under the Swedish Companies Act (2005:551), the Nomination Committee's statement regarding its proposals and information regarding proposed members of the Board of Directors will be made available at the Company's website, www.oncopeptides.com, no later than Tuesday 30 April 2019 and at the premises of the Company, address Luntmakargatan 46, 111 37 Stockholm,

Sweden, and will be sent free of charge to shareholders who so request and state their postal address or email address.

Information at the Annual General Meeting

The Board of Directors and the CEO shall, if requested by a shareholder, and if the Board of Directors' believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of a matter on the agenda and circumstances that may affect the assessment of the Company's or subsidiary's financial situation and the Company's relation to other group companies.

Number of shares and votes

The number of shares and votes in Oncopeptides amounts to 48,841,921 at the date of the issue of this notice.

Processing of personal data

For information about how personal data is processed, it is referred to the privacy notice available at Euroclear's webpage: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Stockholm in April 2019
The Board of Directors

For further information, please contact:

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About Oncopeptides

Oncopeptides is a pharmaceutical company developing drugs for the treatment of cancer. The company is focusing on the development of the lead product candidate melflufen, a novel peptide conjugated alkylator, belonging to a new class of drugs called Peptidase Enhanced Compounds (PEnC). Melflufen is in development as a new treatment for the hematological cancer multiple myeloma and is currently being tested in a global pivotal Phase 3 trial and in three additional supporting clinical trials.

Oncopeptides' headquarters is located in Stockholm, Sweden and the company is listed in the Mid Cap segment on Nasdaq Stockholm with the ticker ONCO.

This information was submitted for publication at 11.00 a.m. (CET) on 16 April 2019.