

NOTICE OF ANNUAL GENERAL MEETING OF LIDDS AB (publ)

The shareholders of LIDDS AB (publ), corp. ID no. 556580-2856, are invited to the annual general meeting in the company's premises at Uppsala Business Park with visiting address Rapsgatan 7 in Uppsala on Monday 17 May 2021 at 15:00.

Information in view of corona virus

LIDDS AB has decided to make certain changes in respect of the annual general meeting on 17 May 2021 in view of the spread of the corona virus.

LIDDS cares about its shareholders' health and well-being, as well as their opportunity to exercise their rights as shareholders at the annual general meeting. According to medical expertise, spread of the infection can be restricted by avoiding large crowds, keeping the time spent in large crowds to the minimum necessary, and reducing contact between people by avoiding crowding and large shared meals.

In view of the above, and in order to limit the risk to the shareholders and other persons who will attend the annual general meeting on 17 May 2021, the following measures will therefore be taken:

- No refreshments will be served.
- The number of board members, management, employees and consultants in attendance at the meeting will be kept to a minimum
- The CEO's presentation will be available to view on our website and there will be no presentation from the CEO at the meeting

To reduce the risk of the infection spreading, everyone is encouraged to be vigilant regarding symptoms and to stay at home if feeling unwell. Shareholders who do not attend or who are not able to attend the meeting personally can instead participate through a proxy. We also encourage persons who have been present themselves in a risk area, or who have been in contact with someone who is infected with corona virus or with someone who has recently been in a risk area, to participate through a proxy. For current information about risk areas and recommendations as a result of corona virus, refer to the Public Health Agency of Sweden, Folkhälsomyndigheten, www.folkhalsomyndigheten.se.

Right to participate and registration

Right to participate at the general meeting is held by those shareholders who are registered in the share register held by Euroclear Sweden AB on Thursday 6 May 2021 and who have given notice to the company no later than Wednesday 12 May 2021 at 16.00 in writing to LIDDS AB (publ), Virdings Allé 32B, 754 50 Uppsala or by email to anja.peters@liddspharma.com.

The notification should state full name, personal code number or corporate ID number, shareholding, address, daytime telephone number and also details of deputy when applicable. When applicable, power of attorney, registration certificates and other authorisation documents should be appended to the notification.

Nominee-registered shares

For right to participate in the meeting, shareholders who have their shares registered in the name of a nominee must temporarily reregister the shares in their own name. Shareholders who would like such reregistration, so-called voting rights registration, must request this in good time at their administrator before Monday 10 May 2021, when the reregistration must be completed.

Proxy

Shareholders represented by proxy shall issue dated and signed power of attorney for the proxy. Power of attorney must be provided no later than at the meeting, but preferably through prior submission of a copy. If the power of attorney is issued by a legal entity, attested copies of the certificate of registration (or equivalent document for foreign legal entity), must be appended to the power of attorney. The power of attorney's period of validity must be a maximum of five years if specifically indicated. If no period of validity is indicated, the power of attorney applies for a maximum of one year. The company provides a proxy form on the company's website www.liddspharma.com and a proxy form is also sent to those shareholders who request one and provide their address.

Personal data processing

In connection with the general meeting, the company will process personal data about shareholders and others who participate in the meeting. For information about how your personal data is processed in connection with the general meeting, view the privacy policy on Euroclear's website, <https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammasvenska.pdf>.

Draft agenda

1. Opening of the meeting and election of chair of the meeting.
2. Preparation and approval of voting list.
3. Approval of the agenda.
4. Election of one or two persons to certify the minutes.
5. Question whether the general meeting has been duly convened.
6. Presentation of annual report and audit report.
7. Resolutions regarding:
 - a) adoption of income statement and balance sheet;
 - b) decision regarding the company's losses in accordance with the adopted balance sheet; and
 - c) discharge from liability of the board of directors and the CEO.
8. Determination of the number of board members, deputy board members, auditors and deputy auditors.
9. Determination of remuneration to the board of directors and to the auditors.
10. Election of board members, deputy board members, auditors and deputy auditors.
11. Resolution regarding appointment of a nomination committee and also regarding instruction and rules of procedure for the nomination committee.
12. Resolution regarding authorisation for the board to issue shares.
13. Resolution regarding establishment of a warrants-based incentive programme for CEO and other key persons.
14. Resolution regarding authorisation for the board of directors to implement adjustments in the annual general meeting's resolutions.
15. Closing of the meeting.

Proposed resolutions

Item 1: Opening of the meeting and election of chair of the meeting.

The board of directors proposes that David Bejker is appointed as chairman of the general meeting.

Item 7 b): Resolution regarding allocation of the Company's losses in accordance with the adopted balance sheet

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

Item 8: Determination of the number of board members, deputy board members, auditors and deputy auditors

The nomination committee proposes that six ordinary board members are appointed with no deputy members, for the period until the end of the next annual general meeting. The nomination committee further proposes that a registered auditing firm is appointed for the period until the end of the next annual general meeting.

Item 9: Determination of remuneration to the board of directors and to the auditors.

The nomination committee proposes that remuneration shall be paid to the board of directors totalling SEK 787,500, to be allocated with SEK 225,000 to the chair of the board and with SEK 112,500 each to other board members. In addition to this, remuneration of SEK 50,000 shall be paid to the chair of the Audit Committee, as well as SEK 25,000 to other members of the Audit Committee. It is proposed that remuneration to the auditor is paid according to customary standards and approved invoice.

Item 10: Election of board members, deputy board members, auditors and deputy auditors

The nomination committee proposes re-election of Jan Törnell, IngaLill Forslund, Maria Forss, Anders Bjartell, Daniel Lifveredson and David Bejker as ordinary board members. The nomination committee further proposes re-election of Jan Törnell as chairman of the board of directors.

The nomination committee finally proposes to re-select Öhrlings PricewaterhouseCoopers AB as auditing company for the period until the end of the next annual general meeting.

Item 11: Resolution regarding appointment of a nomination committee and also regarding instruction and rules of procedure for the nomination committee

The nomination committee proposes that the annual general meeting resolves to appoint a nomination committee prior to the annual general meeting 2022 as follows: It is proposed that the nomination committee consists of four members. Three of these shall be appointed by the two largest shareholders as of the end of September. The fourth member shall be chairman of the board of directors.

No remuneration shall be paid to the members of the nomination committee .

The nomination committee's task shall be to draft proposals in relation to the below issues to be presented for resolution at the annual general meeting:

- proposal of board members
- proposal of chair of the board of directors
- proposal of remuneration for board of directors
- proposal of auditor
- proposal of remuneration for auditor and
- proposal of guidelines for appointment of nomination committee.

Item 12: Resolution regarding authorisation for the board to issue shares

The board of directors proposes that the annual general meeting authorises the board of directors to, on one or more occasions during the period until the next annual general meeting, with or without preferential rights for the shareholders, decide on a rights issue of shares. It shall be possible for the issue to take place with or without regulation on non-cash contributions, set-off or other conditions. The number of shares that it shall be possible to issue can amount to a maximum of a number

equivalent to thirty per cent of the total number of shares in the company at the time of the annual general meeting and the issue price shall be market-based. The aim of the authorisation is to enable acquisition of working capital with the objective to strengthen the ownership structure, be able to accelerate development projects and also to facilitate share issues for industrial partners within the framework of collaborations and alliances.

Item 13: Resolution regarding adoption of a warrants-based incentive programme for current and future CEO and other key persons

The board of directors proposes that the general meeting resolves to adopt a warrants-based incentive programme for current and future CEO and other key persons in the company ("Incentive Programme 2021/2024 - Key Persons") through issuing a maximum of 250,000 warrants under the following conditions:

1. With deviation from the shareholders' preferential rights, the warrants may only be subscribed to by current and future CEO and other key persons in the company in accordance with the allocation below. In the event that the issue is not fully subscribed, the company shall be entitled to subscribe warrants in order to ensure onward provision of warrants for future recruitment of key persons

Category	Maximum number of participants	Maximum number of warrants in the category
CEO	One (1) person	125,000
Other key persons	About five (5) persons	125,000
Total	About six (6) persons	250,000

The number of warrants per participant within each category will be adapted with respect to the participant's position, responsibility and performance in the company.

2. The justification for the proposal and the reason for the deviation from the shareholders' preferential rights is to create a warrants-based incentive programme for the CEO and other key persons in the company. Such a programme offers the CEO and other key persons the opportunity to share in the growth of value in the company's share, which can be expected to lead to an increased interest in the company's operations and performance, to the benefit of the company and its shareholders.
3. Subscription according to item 1 shall take place during the period from 15 June to 30 June 2021. Subscription shall take place by subscription list. The board of directors is entitled to extend the subscription period.
4. The warrants shall be transferred at a price set on the basis of assessed market value for the warrants through application of Black & Scholes' valuation model produced by KPMG AB (or another reputable external auditing firm). The option premium is set as of the date for transfer of warrants to the participants in the incentive programme.
5. Subscribed and allocated warrants shall be paid for in cash no later than 1 week after subscription through deposit in a bank account designated by the company. The board of directors is entitled to extend the payment period.
6. The board of directors shall be entitled to extend the subscription periods and the payment period.
7. Provisions for the warrants and their utilisation include:
 - a. each warrant gives entitlement to subscription of one new share in the company against cash payment at a subscription rate of 170 per cent of their volume-weighted average of the listed payment rates from 1 June 2021 to 14 June 2021 (according to list of rates on Nasdaq First North Growth Market, where the company's share is currently listed) for shares in the company (though not lower than the share's quota

value). Days with no payment rate listing shall not be included in the calculation. Any premium shall be added to the free share premium fund.

- b. subscription of shares through utilisation of warrants shall take place from 30 January 2024 to 30 June 2024, taking into account relevant insider legislation,
- c. the subscription rate per share and the number of shares to which each warrant entitles subscription can be subject to recalculation in certain cases (customary recalculation conditions) and the period for utilisation of warrants may be brought forward and delayed in certain cases, and also
- d. the shares that are added through utilisation of warrants give entitlement to dividends for the first time on the record date for dividends that falls most closely after the shares have been registered at the Swedish Companies Registration Office and included in the share register held by Euroclear Sweden AB.

8. With full utilisation of all warrants, up to 250,000 shares (subject to any recalculation) may be issued, which corresponds to a dilution of about 0.84 per cent. The calculation is based on maximum number of shares and votes that can be issued, divided by the total number of shares and votes after such an issue, with the point of departure in the total number of outstanding shares and votes in the company for this proposal.

9. If the issue is fully subscribed and all warrants are utilised for subscription, the company's share capital will increase by SEK 13,250.0 kronor (subject to the change that can be caused by any recalculation according to the Option terms).

10. The warrants shall be freely transferable, however a condition for allocation of warrants is that persons entitled to subscribe have signed a special pre-emption rights agreement with the company no later than at the time of subscription, according to which such a person shall be obliged to offer the company, or the person the company instructs, to acquire the warrants or a certain proportion of them if the employment/assignment ceases within a certain period, in connection with transfer of the warrants before 30 January 2024 and also in certain other cases.

11. The incentive programme is estimated to have a marginal effect on the company's profit per share. In view of the fact that the warrants shall be transferred at market price, the company's assessment is that no social security contributions will arise for the company as a result of the Incentive Programme 2021/2024 - Key Persons. The total costs, including other costs for the Incentive Programme 2021/2024 - Key Persons in the form of fees to external advisors, valuation, internal work, as well as for practical management of the Incentive Programme, is estimated to amount to about SEK 100,000 during the term of the Incentive Programme.

Allocation of warrants also presupposes that acquisition of warrants can take place from a legal point of view.

Item 14: Resolution regarding authorisation for the board of directors to implement adjustments in the annual general meeting's resolutions.

The board of directors proposes that either of the company's chairman of the board of directors and CEO are authorised to implement the minor formal adjustments in the meeting's resolution that may be required in connection with registration at the Swedish Companies Registration Office and at Euroclear Sweden AB.

Special majority requirement

A valid resolution in accordance with the proposal in item 12 requires that the proposal is supported by shareholders with at least two thirds of both the shares voted and of the shares represented at the shareholders' meeting.

A valid resolution in accordance with the proposals under item 13 in the draft agenda requires that the proposal is supported by shareholders with not less than nine tenths of both the shares voted and of the shares represented at the shareholders' meeting.

Information about the meeting

The board of directors and the CEO shall, if any shareholders request it, and the board of directors considers that it can take place without material damage to the company, provide information at the meeting about conditions that can impact on the assessment of a matter on the agenda.

Documents and complete proposals

Accounts, auditor statement as well as the board of directors and shareholders' complete proposals for resolutions according to items 12 and 13 will be available at Virdings Allé 32B, Uppsala and on the company's website www.liddspharma.com at least three weeks in advance of the meeting, i.e. no later than Monday 26 April 2021, and copies of the documents will be sent to those shareholders who request them and provide their postal address. Copies will also be available at the annual general meeting.

Information about number of shares and votes in the company

The total number of shares and votes in the company amounts to 29,675,316. The company does not own any of its own shares.

Uppsala, April 2021

LIDS AB (publ)

Board of directors

This is a translation. In case of any discrepancies, the Swedish original shall prevail.