

The Board of Directors' proposal to adopt a long-term incentive programme based on performance-based share rights for employees in Biotage

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term incentive programme based on performance-based share rights for employees in the Biotage group ("**LTIP 2020**") in accordance with item 17 below.

Proposal to adopt LTIP 2020 and hedging arrangements

The programme in brief

LTIP 2020 is proposed to include the CEO, senior executives and other key employees, meaning that a maximum of 18 individuals within the Biotage group will be able to participate. Participants will be given the opportunity to receive ordinary shares free of charge within the framework of LTIP 2020, so-called "**Performance Shares**", in accordance with the conditions set out below.

Within the framework of LTIP 2020, the company will allot participants rights to Performance Shares which means that, subject to certain conditions being met, the right to receive a Performance Share free of charge ("**Share Rights**").

Terms and conditions

A Share Right may be exercised provided that the participant, with certain exceptions, from the start date of the LTIP 2020 for each participant, up until and including the date three years thereafter (the "**Vesting Period**"), is still employed by the Biotage group. The last date for the start of the LTIP 2020 shall be the day before the Annual General Meeting of Biotage in 2021. In addition to the requirement for the participant's continued employment according to the above, the final number of Performance Shares that each participant is entitled to receive shall also be conditional upon the following performance conditions:

- (i) 50 per cent of the Performance Shares related to the total shareholder return (the return to shareholders through an increased share price and reinvestments of any dividends during the Vesting Period) on the company's ordinary shares during the Vesting Period ("**Performance Condition 1**").
- (ii) 25 per cent of the Performance Shares related to an average EBIT-margin during the period from and including the financial year 2020 and up to and including the financial year 2022 (the "**Measurement Period**") ("**Performance Condition 2**"), and
- (iii) 25 per cent of the Performance Share related to average organic sales growth over the Measurement Period ("**Performance Condition 3**").

Participants will be entitled to 50 per cent of the Performance Shares under Performance Condition 1 if the total shareholder return amounts to or exceeds 64.3 per cent (corresponding to 18 per cent per year) during the Vesting Period. For allotment of Performance Shares under Performance Condition 1, the total shareholder return for the company's ordinary share must exceed 26 per cent

(corresponding to 8 per cent per year) during the Vesting Period. In between the percentages, allotment will be made linearly.

Participants will be entitled to 25 per cent of the Performance Shares under Performance Condition 2 if the average EBIT-margin amounts to or exceeds 20 per cent during the Measurement Period. For allotment of Performance Shares under Performance Condition 2, the average EBIT-margin must exceed 17 per cent during the Measurement Period. In between the percentages, allotment will be made linearly.

Finally, participants will be entitled to 25 per cent of the Performance Shares under Performance Condition 3 if the average organic sales growth amounts to or exceeds 11 per cent during the Measurement Period. For allotment of Performance Shares under Performance Condition 3, the average organic sales growth must exceed 7 per cent during the Measurement Period. In between percentages, allotment will be made linearly.

Share Rights

The Share Rights shall, in addition to what is set out above, be governed by the following terms and conditions:

- Share Rights are allotted free of charge no later than the day before the Annual General Meeting 2021.
- Share Rights vest during the Vesting Period.
- Share Rights may not be transferred or pledged.
- Each Share Right entitles the participant to receive one Performance Share free of charge after the end of the Vesting Period (with certain exceptions where the Vesting Period may be accelerated) if the participant, with certain exceptions, is still employed by the Biotage group by the end of the Vesting Period.

Preparation of the proposal, design and administration

The Board of Directors, or a special committee set up by the board, shall be responsible for preparing the detailed design and administration of the terms and conditions of LTIP 2020, in accordance with the presented terms and guidelines including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue and/or similar measures. No recalculations will be made in relation to paid dividends. In connection with any recalculations, the Board of Directors shall be entitled to make adjustments to meet specific foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the Biotage group or in its environment would result in a situation where the adopted terms and conditions of LTIP 2020 no longer serve their purpose or the rationale for the proposal. Adjustments may, amongst other things, be decided with respect to the terms and conditions for measuring the Performance Conditions, and the basis for such calculation, and the growth rate targets under LTIP 2020 due to potential effects from or related to Covid-19.

Allotment of Share Rights

The participants are divided into different categories and, in accordance with the above, the Share Rights under LTIP 2020 may be allotted to the following participants in the different categories:

Category	Maximum number of persons	Maximum number of Share Rights	Maximum number of Share Rights per person in the category
CEO	1	32,699	32,699
Senior executives	11	130,790	11,890
Key employees	6	32,694	5,449

Receiving Performance Shares under LTIP 2020 and hedging arrangements

The Board of Directors has considered different methods for transfer of ordinary shares under LTIP 2020 in order to implement the programme 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 resolves (a) to authorise the Board of Directors to resolve on a directed rights issue of not more than 243,313 class C shares to the participating bank, of which not more than 47,130 class C shares may be issued to secure social contributions arising as a result of LTIP 2020 and (b) to authorise the Board of Directors to resolve on the repurchase of all issued class C shares in accordance with the below.

Following conversion of the class C shares to ordinary shares, the ordinary shares are intended to be both transferred to LTIP 2020 participants as well as sold in the market in order to cover the cash-flow related to social contribution costs associated with LTIP 2020. For this purpose, the Board of Directors proposes that the Annual General Meeting resolves (c) to transfer not more than 196,183 ordinary shares free of charge to participants in accordance with LTIP 2020 and that not more than 47,130 ordinary shares may be sold to cover social contribution costs arising as a result of LTIP 2020.

Scope and costs for LTIP 2020

LTIP 2020 will be reported in accordance with IFRS 2, which means that the Share Rights will be expensed as personnel costs over the Vesting Period. The costs for LTIP 2020 is estimated to amount to a maximum of approximately SEK 15.4 million, excluding social contributions, accounted in accordance with IFRS 2 based on the following assumptions: (i) that 196,183 Share Rights are allotted, (ii) that the share price, at the beginning of LTIP 2020, is SEK 115 per ordinary share, and (iii) that the performance conditions are fully met. Based on the same assumption as above, and subject to social contributions of approximately 24 per cent and a share price increase of 64.3 per cent from the start of LTIP 2020 until the participants are allotted shares, the costs for social contribution costs are estimated to amount to SEK 8.7 million. The total cost for LTIP 2020, including costs according to IFRS 2, is therefore estimated to a maximum of SEK 8.0 million per year.

Dilution and effects on key ratios

Upon maximum allotment of Share Rights 196,183 ordinary shares will be allotted to participants under LTIP 2020, and that 47,130 ordinary shares will be used to secure social contributions arising as a result of LTIP 2020 which would entail a dilution effect of approximately 0.37 per cent of the total number of ordinary shares in the company.

Given the above assumptions regarding scope and costs, and that LTIP 2020 was introduced in 2018 instead, it is estimated that the key figure earnings per share for full year 2019 would have decreased from SEK 2.87 to approximately SEK 2.77.

Changes in the Articles of Association

In order to enable a rights issue of class C shares within LTIP 2020 as described above, the Board of Directors proposes that the Annual General Meeting resolves on changes in the Articles of Association. The proposed changes will enable the company to introduce a new class of shares, C shares, whereby 4 § of the Articles of Association needs to be supplemented.

The Board of Directors proposes the following:

- 4 § shall be supplemented so that shares can be issued in two classes, as ordinary shares and class C shares. The ordinary shares have one vote and the class C shares have 1/10 vote. Shares of any kind can be issued to a number corresponding with the share capital.
- 4 § shall be supplemented so that class C shares do not qualify to dividend. At a dissolution of the company class C shares qualifies to an equal amount of the company's assets as other shares, however not with a higher amount than the equivalent of the quota value.
- 4 § shall be supplemented with specific writings regarding pre-emption rights.
- 4 § shall be supplemented so that the Board of Directors may resolve on reduction of the share capital through redemption of every class C share. Class C shareholders shall be obliged to redeem their class C share to a ransom corresponding to the share's quota value.
- 4 § shall be supplemented so that class C shares owned by the company, upon resolution of the Board of Directors, may be converted to ordinary shares.

The Board of Directors propose that existing shares within the company are ordinary shares.

Authorisation for the Board of Directors to issue new class C shares

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the Annual General Meeting 2021 on one or more occasions, to increase the company's share capital by not more than SEK 338,205.07 by the issue of not more than 243,313 class C shares, each with a quota value of SEK 1.39. With deviation from the shareholders' pre-emption rights, the participating bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorisation and the reason for the deviation from the shareholders' pre-emption rights in connection with the issue of shares is to ensure delivery of shares to employees under the long-term incentive programme, as well as to secure potential social contributions arising as a result of LTIP 2020.

Authorisation for the Board of Directors to repurchase class C shares

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the Annual General Meeting 2021, on one or more occasions, to repurchase class C shares. The repurchase may only be effected through an offer directed to all holders of class C shares and shall comprise all outstanding class C shares. Repurchases shall be effected at a purchase price corresponding to the quota value of the share. Payment for the acquired class C shares shall be made in cash. The purpose of the proposed repurchase authorisation is to ensure delivery of Performance Shares under LTIP 2020 and to secure possible social contributions arising as a result of LTIP 2020.

Decision to transfer own ordinary shares

The Board of Directors proposes that the Annual General Meeting resolves that class C shares that the company acquires based on the authorisation to repurchase class C shares in accordance with the above, may, following the re-classification into ordinary shares, be transferred free of charge to participants of LTIP 2020 in accordance with the adopted terms and conditions in order to secure possible social contributions arising as a result of LTIP 2020.

The Board of Directors therefore proposes that the Annual General Meeting resolves that not more than 196,183 ordinary shares may be transferred to participants in accordance with the terms and conditions of LTIP 2020 and that not more than 47,130 ordinary shares shall be transferred on Nasdaq Stockholm, including through a financial intermediary, at a price within the registered price range at the relevant time, to cover any social contributions in accordance with the terms and conditions of LTIP 2020. The number of shares to be transferred is subject to re-calculation in the event of a bonus issue, split, rights issue and/or other similar events.

The background and rationale for the proposal

The purpose of LTIP 2020 is to create conditions for motivating and retaining competent employees within the Biotage group and to increase the coherence between the employees', shareholders' and the company's objectives, as well as to increase the motivation to reach and exceed the company's financial targets. LTIP 2020 has been designed so that the programme includes both current and future senior executives and other key employees.

By offering Share Rights that are based on both share price development and partly on strategic goals, the participants are premised for increased shareholder value/value-creating measures. LTIP 2020 also rewards employees' continued loyalty and thus the long-term value growth of the company. After these considerations, the Board of Directors considers that LTIP 2020 will have a positive effect on the future development of the Biotage group and will consequently be beneficial for both the company and its shareholders.

The preparation of the proposal

LTIP 2020 has been prepared by the company's Board of Directors and its Remuneration Committee in consultation with external advisors. LTIP 2020 has been discussed by the Board of Directors at a meeting held in March 2020.

Majority requirement

A decision according to the proposal pursuant to item 17 above is valid only when supported by shareholders holding not less than nine-tenths of both the votes cast and of the shares represented.

The Board of Director's ^{_____}statement in accordance with Chapter 19 Section 22 of the Swedish Companies Act is held available with the proposal.