

Notice of Annual General Meeting of SenzaGen AB (Publ)

Lund, March 31, 2023

The shareholders of SenzaGen AB (Publ.), company registration number 556821-9207, ("the Company") are hereby given notice of the annual general meeting ("AGM") on 4 May 2023 at 4 PM in The Spark Sharience, Medicon Village, Scheeletorget 1, Lund, Sweden.

The meeting will be held in Swedish.

Eligibility to attend the AGM and notice of attendance

Shareholders wishing to attend the AGM must be registered in the share register kept by Euroclear Sweden AB on the record date, Tuesday 25 April 2023.

Shareholders must also give notice of their attendance and that of any proxies (max two) by Friday, 28 April 2023 by mail to SenzaGen AB, Medicon Village, 223 81 Lund, Sweden, or by email to anmalan@senzagen.com. The notice of attendance must include the full name, personal or company registration number, address, phone number and, if applicable, information about proxies or other representatives. If applicable, the notice of attendance should be followed by a proxy document, a certificate of registration and other documentation.

Nominee shares

Shareholders who have their shares held in custody with a bank or some other nominee must have their nominee temporarily register the shares in their own name to be eligible to attend the AGM. Such registration, which normally takes a couple days, must be complete by Tuesday, 25 April 2023. Therefore, shareholders must request this registration from their nominee well in advance of this date. Registration of voting rights that has been requested by shareholders at such a time that the registration has been made by the relevant nominee no later than Thursday, 27 April 2023 will be taken into account in the production of the share register.

Proxies

Shareholders represented by proxy must grant a written and dated proxy document to the designated proxy. If the proxy was granted by a legal entity, a certified true copy of the entity's certificate of registration, or equivalent documentation proving that those who signed the proxy are authorized signatories for the legal entity, must be enclosed with the proxy. If the proxy specifically states a term of validity, this term is not permitted to exceed five years. If no term of validity is stated, the proxy will be valid for no more than one year. A copy of the proxy and, if applicable, the certificate of registration should be sent to the Company's address above well in advance of the AGM. The original proxy and the certificate of registration must also be presented at the AGM. A proxy form will be available on the Company's website, www.senzagen.com.

Proposed agenda

1. Opening of the meeting and election of AGM chairman

2. Preparation and approval of the voting register
3. Election of one or more people to verify the minutes
4. Check that the AGM has been duly convened
5. Approval of agenda
6. Address by the CEO
7. Presentation of the annual report and auditor's report and of the consolidated financial statements and the auditor's report on the consolidated financial statements
8. Resolutions to:
 - a. Adopt the income statement and balance sheet and the consolidated income statement and consolidated balance sheet
 - b. Appropriate the Company's profit or loss as per the adopted consolidated balance sheet
 - c. Discharge the board of directors and CEO from liability
9. Setting of the number of directors and auditors
10. Setting of directors' fees and auditor's fees
11. Election of directors and auditors
12. Resolution on remuneration policies for senior executives
13. Resolution to authorize the board to issue shares, stock options and/or convertibles
14. Resolution on directed share issue of a maximum of 1,015,000 stock options
15. Closing of the meeting

Proposed resolutions

Item 1:

Election of AGM chairman

The Nomination Committee proposes that Board Chairman Carl Borrebaeck be elected AGM chairman.

Item 8.b

Resolution to appropriate the Company's profit or loss as per the adopted consolidated balance sheet

The board proposes that all earnings at the disposal of the AGM be carried forward.

Items 9–11:

Setting of the number of directors and auditors; setting of directors' fees and auditor's fees; election of directors and auditors

The Nomination Committee's proposals are as follows:

The Nomination Committee proposes that the board shall consist of five directors and no alternates. The number of auditors and the number of deputy auditors shall each be one.

The Nomination Committee proposes that the directors' fees shall be SEK 200,000 (SEK 200,000) for each director elected by the AGM who is not employed by the Company and SEK 400,000 (SEK 400,000) for the board chairman, for a total amount of SEK 1,200,000 (SEK 1,400,000). The amounts in parentheses are the fees for 2022.

The Nomination Committee proposes that the auditor's fees shall be payable on the basis of approved invoices.

The Nomination Committee proposes the re-election of Carl Borrebaeck, Ian Kimber, Ann-Christin Malmborg Hager, Paula Zeilon and Paul Yianni as directors.

It is also proposed that Carl Borrebaeck be re-elected as chairman of the board.

The Nomination Committee proposes the re-election of Authorized Public Accountant Mats-Åke Andersson as the Company's auditor, with Authorized Public Accountant Martin Gustafsson as deputy auditor.

Information about the members proposed for re-election can be found on the Company's website www.senzagen.com.

Item 12:

Resolution on remuneration policies for senior executives

The board proposes that the AGM resolve to adopt the following policies for the remuneration of senior executives:

Scope

Senior executives are defined as the CEO and Group Management. These policies apply to employment agreements for senior executives entered into after approval of the policies by the AGM and to amendments to existing employment agreements for senior executives made thereafter. The board may deviate from the policies in individual cases in the event of special reasons. A special reason could be that a senior executive residing outside of Sweden must be offered terms that are competitive in the country in which they reside.

Fundamental principle and deliberation process for matters of remuneration

The fundamental principle of the policies is for the Group to offer remuneration on market terms in order to attract and retain proficient executives.

The board as a whole comprises the remuneration committee with the task of deliberating on the remuneration policies for senior executives that will be presented to the AGM for resolution. The board resolves on matters regarding the salary and employment conditions of the CEO.

In coordination with the board, the CEO resolves on the salary and employment conditions of the senior executives who report directly to the CEO.

Fixed salary

The fixed salary is adjusted annually and is based on the individual executive's expertise and area of responsibility.

Variable remuneration

The variable remuneration includes (a) an individual variable annual fee and may also include (b) a long-term incentive program as a complement.

(a) The individual variable annual fee can range from 8% to 25% of the fixed remuneration depending on the position. The ultimate amount payable depends on the degree of attainment primarily of set financial goals as well as qualitative goals to a limited extent.

(b) The long-term incentive program is intended to serve as a complement to the individual variable annual fee.

The board may deliberate on whether to propose share-related or share price-related programs for senior executives to the AGM.

Non-monetary remuneration

Subject to agreement with the Company's CEO, senior executives may be entitled to normal types of non-monetary remuneration, such as a company car and occupational health services.

Termination and severance pay

In the event of termination of a senior executive on the part of the Company, remuneration during the notice period and severance pay shall be no higher in amount than the equivalent of twelve (12) monthly salaries.

Fee for services that do not constitute board work

In individual cases, the Company's directors shall be remunerable for services rendered in their respective area of expertise that do not constitute board work. These services shall be remunerated with a fee on market terms, which is subject to approval by the board and must be disclosed at the AGM.

The total amount of remuneration that has been or will be paid directly or indirectly by the Company to senior executives is disclosed in its entirety in the Company's 2022 annual report, which is available on the Company's website, www.senzagen.com.

Item 13:

Resolution to authorize the board to issue shares, stock options and/or convertibles

To enable the board to raise working capital for the Company, and/or bring in new owners of strategic significance to the Company, and/or acquire other companies or businesses, the board proposes that the AGM resolve to authorize the board, for the period until the next AGM, with or without the shareholders' preemptive rights waived, on one or more occasions, to decide to issue new shares, stock options and/or convertibles. The total number of shares that may be issued or, if convertibles or stock options are issued, added by way of conversion or exercise of rights under the authorization may not exceed 20 percent dilution of the number of outstanding shares in the Company after completed share issues under the authorization, based on the number of shares issued at the time of the AGM. The board shall also be entitled to resolve on whether new shares are payable in the form of cash, non-cash, offsetting, or in another manner consistent with the provisions of Chapter 2 Section 5 Paragraph 2 items 1-3 and 5 of the Swedish Companies Act.

To prevent the Company's current shareholders from being disadvantaged in relation to external investors who could subscribe for shares in the Company, the board plans, by virtue of this authorization, to set the issue price on market terms (meaning that an issue discount on market terms may be provided) for issues with the shareholders' preemptive rights waived. If found appropriate by the board to enable delivery of shares in conjunction with a share issue as set out above, a subscription price equal to the nominal (quotient) value of the shares can be used.

As a result, the maximum number of shares that may be issued is 6,047,081, and the Company's share capital may be increased by a maximum of SEK 302,354.05.

The board, or those designated by the board, are proposed to be granted authorization to make adjustments as may be necessary in conjunction with registering the resolution with the Swedish Companies Registration Office (Bolagsverket).

Item 14:

Resolution on directed share issue of a maximum of 1,015,000 stock options

The Company's board proposes that the AGM resolve to issue a maximum of 1,015,000 stock options, as a result of which the Company's share capital may increase by a maximum of SEK 50,750, with an exception for possible increases caused by recalculation in the event of share issues. The stock options will entitle the holder to subscribe for new shares in the Company.

The following rules shall apply to the directed share issue:

With the shareholders' preemptive rights waived, employees of the Company and the Group shall be entitled to subscribe for the stock options as follows:

- The Group CEO will be offered to subscribe for a maximum of 200,000 options.
- Members of Group Management and key personnel comprising up to nine positions will each be offered to subscribe for a maximum of 50,000 options, altogether comprising a maximum of 450,000 options.
- Consultants in senior positions, comprising two individuals, will each be offered to subscribe for a maximum of 25,000 options, altogether comprising a maximum of 50,000 options.
- Other employees and consultants considered key personnel in the Group, comprising up to twenty-three individuals, will be offered to subscribe for between 10,000 and 25,000 options each, altogether comprising a maximum of 315,000 stock options.

Oversubscription cannot take place.

The stock options must be subscribed for by 27 May 2023 on a separate subscription list. The board shall be entitled to extend the subscription period but no later than until 1 November 2023.

The subscriber is entitled to subscribe for stock options free of charge. The market value of the option shall be calculated using the Black-Scholes pricing model subject to barrier conditions to calculate the Company's social security expenses. The valuation of the options shall be performed by an independent valuation institute or auditing firm. A preliminary calculation (2 March 2023) based on an exercise price and barrier conditions at the time of exercising the stock options of SEK 11.90 per share results in an option value of SEK 1.98.

The stock options allotted will be offered for subscription free of charge. Such an offer to allot stock options must be provided within 10 banking days of the date a resolution to allot options has been passed.

Each stock option entitles the holder to subscribe for one new share in the Company in exchange for cash payment, provided that the barrier conditions have been met, during the period from 1 June 2026 to 30 September 2026 or the earlier date set out in the option rules. However, the stock options shall be exercisable at an earlier point in time in the event of a merger, compulsory redemption, liquidation, or similar circumstances.

Payment for shares subscribed for by exercising stock options shall be made in cash at an exercise price of 100% of the average of the listed volume-weighted price paid for each trading day as per Nasdaq First North Growth Market's official price list for shares in the Company during the period from 19 April 2023 to 3 May 2023. The exercise price established in this manner shall be rounded to the nearest whole tenth in SEK öre, with SEK 5 öre rounded down.

For each individual participant in the stock option plan, 80 percent of all allotted stock options are subject to barrier conditions, and these 80 percent of the stock options can only be exercised to subscribe for shares once the volume-weighted price paid measured per trading day as per the Nasdaq First North Growth Market's official price list for shares is higher than the respective barrier level.

The barrier levels are calculated as a percentage of the average volume-weighted price as per the Nasdaq First North Growth Market's official price list for shares in the Company during the period from 19 April 2023 to 3 May 2023 ("**the Barrier Price**").

The barrier levels shall consist of two barriers, with the first barrier accounting for 25 percent ("**Barrier 1**") and the second barrier accounting for 55 percent ("**Barrier 2**") of all the stock options allotted to participants, in accordance with what is set out below.

- Barrier 1: 25 percent of the stock options are subject to Barrier 1 and the barrier is calculated at 158 percent of the Barrier Price.
- Barrier 2: 55 percent of the stock options are subject to Barrier 2 and the barrier is calculated at 300 percent of the Barrier Price.

Barrier 1 and Barrier 2 established in this manner shall be rounded to the nearest whole tenth in SEK öre, with SEK 5 öre rounded down. The barriers shall be recalculated in the same way as for the redemption price in the option rules.

New shares subscribed for by exercising Stock options entitle the holder to dividends for the first time on the dividend record date most immediately following the date the new share issue was registered with the Swedish Companies Registration Office and Euroclear Sweden AB.

The purpose of the share issue and the reason for waiving shareholders' preemptive rights is to implement an option program suited for allotment to key personnel in the Company so that they can be offered the opportunity to participate in the growth in value of the Company's stock. This is expected to lead to stronger interest in the Company's growth – as well as the Company's share price performance – and stimulate continued company loyalty over the coming years.

In conjunction with the transfer of the stock options to the participants in the program, the Company reserves the right to buy back all stock options if the participant's employment is terminated or if the participant wishes to transfer the stock options to another party during the period until 31 May 2026.

The complete rules for the stock options will be kept available on the Company's premises and on the Company's website no later than two (2) weeks prior to the AGM. These rules include that the exercise price and the number of shares to which a stock options entitles the holder to subscribe for may be recalculated in certain cases.

It is proposed that the board or those designated by the board be authorized to make minor adjustments to this resolution as may be necessary in conjunction with registration with the Swedish Companies Registration Office and, if applicable, with Euroclear Sweden AB.

Deliberation on the board's proposed 2023/2026 incentive program, the costs of the program, other outstanding stock-based incentive programs, dilution

The proposed agenda item 14 has been deliberated on by the board in consultation with external advisers.

Valuation

The stock options shall be subscribed free of charge, which means that social security expenses for the Group may be incurred in conjunction with subscriptions for stock options. According to a preliminary valuation based on a market value of the underlying stock of SEK 11.88, the market value of the stock option is SEK 1.98 per option with a redemption price of 11.90 per share in the 2023/2026 program. The Black-Scholes pricing model has been used for this valuation on the assumption of a risk-free 3.042% interest rate and 45.3% volatility and taking into account that no dividend or other transfers of value to shareholders are expected to occur during the program's term.

Expenses and impact on financial ratios

Given that the stock options are issued free of charge, the Company estimates that fringe benefits and social security expenses will be incurred for the participant and the Company as a result of the option program. The total expenses, including other expenses in the form of fees to external advisers and expenses for the administration of the program, are estimated at around SEK 100,000 over the program's term and the cost of social security expenses is estimated at SEK 631,991.

The total cost of social security contributions depends on the number of options that will be added and on the value of the benefit that the participant will eventually receive at the time of the allocation, but also in which countries the participants reside and what percentages apply to social security contributions in these countries. In cases where the participant resides in a country other than Sweden and is employed by another wholly-owned company in the Group (the "Employer Company"), both salary benefits and social security contributions may arise in the Employer Company when the option is exercised for the purchase of shares.

In the event of positive performance of the share price in conjunction with the exercise of the option, the option program will result in costs in the form of social security contributions for the Employer Company. Costs for social security contributions are estimated to amount to approximately SEK 1.9 million, assuming the allotment and exercise of 225,000 options, average social security contributions of 35 percent and an assumed share price of SEK 36.00 when the options are exercised.

The program is expected to have a marginal impact on the Company's financial ratios.

Dilution

The total number of registered shares and votes at the time of this proposal is 24,188,325. The maximum dilutive effect of the 2023/2026 incentive program is estimated to be a maximum of approximately 4.0% of the total number of shares and votes in the Company (calculated based on the number of existing shares in the Company and taking into account other outstanding stock options), provided that all offered stock options are subscribed for and exercised.



There are currently several stock-based incentive programs outstanding in the Company, as below:

The 2020/2024 incentive program is for a maximum of 50,000 stock options, and 50,000 of which have been subscribed entitling the holder to subscribe for new shares at a price of SEK 39.67 from 1 November 2023 to 5 January 2024.

The 2021/2024 L series incentive program is for a maximum of 587,500 stock options, and 372,000 of which have been subscribed entitling the holder to subscribe for new shares at a price of SEK 14.30 from 1 June 2024 to 30 September 2024.

The 2022/2025 incentive program is for a maximum of 812,500 stock options, and 637,500 of which have been subscribed entitling the holder to subscribe for new shares at a price of SEK 9.60 from 1 June 2025 to 30 September 2025.

If all previously issued stock options and stock options issued in the 2023/2026 incentive program are exercised, the dilution may amount to a maximum of approximately 7.9 percent of the total number of shares and votes in the Company (calculated on the basis of the number of existing shares in the Company and taking into account other outstanding stock options).

Other outstanding stock-based incentive programs

For disclosures on the Company's other stock-based incentive programs, please see the Company's 2022 annual report. Apart from the programs disclosed there, the Company does not have any other stock-based incentive programs.

Majority requirement

Shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM must vote for the resolution under item 13 for it to be deemed duly passed.

Shareholders representing at least nine tenths of both the votes cast and the shares represented at the AGM must vote for the resolution under item 14 for it to be deemed duly passed.

GENERAL INFORMATION

Number of shares and votes

The total number of shares in the Company at the date of this notice is 24,188,325 with the same number of votes. The Company does not hold any treasury shares.

Documents

Copies of the financial statements, auditor's report and proxy form will be kept available at the Company's premises at Medicon Village, Scheelevägen 2, Building 401, 223 81 Lund, Sweden, and on the Company's website, www.senzagen.com no later than three (3) weeks prior to the AGM. Complete proposals and other documentation that must be made available under the Swedish Companies Act will be kept available in the locations above no later than two (2) weeks prior to the AGM. All of the aforementioned documents will be sent to those shareholders who so request and provide their email address or mailing address.

Shareholders are reminded of their right, at the AGM, to request disclosures from the board and CEO under Chapter 7 Section 32 of the Swedish Companies Act.



Personal data processing

For information on how your personal data is processed, please see the privacy policy available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.

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Lund, March 2023,
the Board of Directors of **SenzaGen AB**

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About us

SenzaGen aims to be a leader in *in vitro* science and testing, driving the transition from animal testing to methods better suited to reflect human biology. The Company provides high-performance, non-animal test methods and innovation and consulting services based on state-of-the-art technology. Non-animal methods are more effective, more accurate and less expensive than traditional animal-based methods while also helping to reduce the number of laboratory animals. The Company has a growth strategy centered around continued commercialization of its proprietary GARD® test platform, expansion of its test portfolio and evaluation of acquisition opportunities of profitable and growing companies with complementary offerings. SenzaGen has its headquarters and GLP-certified laboratory in Lund, Sweden and subsidiaries in the US and Italy. For more information, please visit: www.senzagen.com.

SenzaGen is listed on Nasdaq Stockholm First North (ticker: SENZA). FNCA Sweden AB is the company's Certified Adviser.

Attachments

[Notice of Annual General Meeting of SenzaGen AB \(Publ\)](#)