



**PRESS RELEASE**

## **NOTICE OF ANNUAL GENERAL MEETING IN LIPIDOR AB (publ)**

STOCKHOLM, Sweden, 7th May 2021: The shareholders of Lipidor AB (publ) reg. no. 556779-7500 ("Lipidor" or the "Company") are hereby given notice of the Annual General Meeting (the "AGM") to be held on 8 June 2021.

***N.B. This is an unofficial translation of the original Swedish notice. In case of discrepancies, the Swedish version shall prevail.***

Due to the extraordinary situation relating to the covid-19 pandemic, Lipidor's annual general meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. There will be no meeting with the possibility to attend in person or to be represented by a proxy.

Lipidor welcomes all shareholders to exercise their voting rights at the AGM through advance voting as described below. Information on the resolutions passed at the AGM will be published on 8 June 2021 as soon as the result of the advance voting has been finally confirmed.

The shareholders may request in the advance voting form that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of advance voting. Such general meeting shall take place if the AGM so resolves or if shareholders representing at least one tenth of all shares in the Company so requests.

### **Right to participate**

Shareholders that wish to participate in the AGM through advance voting, shall be registered in the share register maintained by Euroclear Sweden AB no later than on 31 May 2021; and shall have notified the Company of their intention to participate at the AGM no later than on 7 June 2021 by casting their advance vote in accordance with the instructions under the heading "Advance voting".

### **Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee/custodian must register their shares in their own names in order to be entitled to participate in the AGM. Such registration, which may be temporary, must be effected no later than on 2 June 2021 and shareholders must, therefore, instruct their nominees well in advance thereof.

### **Advance voting**

The shareholders may only exercise their voting rights at the AGM by voting in advance, so-called postal voting, in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is considered as notice to participate in the AGM. The form is available at [www.lipidor.se](http://www.lipidor.se).



## PRESS RELEASE

The completed form must be submitted to the Company no later than on 7 June 2021. The completed form shall be sent to Lipidor AB (publ) c/o Fredersen Advokatbyrå, Turning Torso, SE-211 15 Malmö, Sweden, or by e-mail to [lipidor@fredersen.se](mailto:lipidor@fredersen.se). If the shareholder votes in advance by proxy, a power of attorney shall be enclosed to the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding authorization document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form.

### Proposal of agenda

1. Election of chairman of the meeting
2. Preparation and approval of the voting register
3. Approval of the agenda
4. Election of one or two persons to attest the minutes
5. Determination as to whether the meeting has been duly convened
6. Presentation of the annual report and the auditor's report as well as the group accounts and the auditor's report for the group
7. Resolution on
  - a) adoption of the profit and loss account and the balance sheet as well as of the consolidated profit and loss account and the consolidated balance sheet
  - b) allocation of the Company's profit or loss according to the consolidated balance sheet
  - c) discharge from liability for the Board members and the CEO
8. Resolution as to the number of Board members and auditors
9. Resolution on the remuneration to the Board of Directors and auditor
10. Election of Board members
  - 10.1 Fredrik Sjövall (re-election)
  - 10.2 Denis Angioletti (re-election)
  - 10.3 Ola Flink (re-election)
  - 10.4 Gunilla Lundmark (re-election)
  - 10.5 Otto Skolling (re-election)
11. Election of chairman of the Board
  - 11.1 Fredrik Sjövall (re-election)
12. Election of auditor
  - 12.1 Öhrlings PricewaterhouseCoopers AB (re-election)
13. Resolution on amendments to the articles of association
14. Resolution on authorization for the Board of Directors to issue shares, warrants or convertibles

15. The Board of Directors' proposal to adopt a long-term incentive program for employees in the Company
  - a) Adoption of LTI 2021:1
  - b) Issue of warrants and approval of the transfer of the warrants to participants and third parties

### Proposals

#### ***The nomination committee's proposals (items 1 and 8-Error! Reference source not found.)***

The nomination committee which has consisted of Anton van Troostenburg (appointed by Cerbios-Pharma SA), Per Nilsson (appointed by Råsunda Förvaltning AB), Magnus Hedman (appointed by Aurena Laboratories AB), and Fredrik Sjövall (chairman of the Board), proposes that the AGM resolves:

that Nils Fredrik Dehlin, member of the Swedish Bar Association, is elected chairman of the AGM,

that the Board of Directors shall consist of five (five) Board members,

that one registered audit firm, and no deputy auditors, is elected as auditor of the Company,

that remuneration to the Board shall be SEK 200,000 (200,000) to the chairman of the Board and SEK 100,000 (100,000) each to the Board members,

that remuneration to the auditor shall be paid accordance with approved invoice,

that Fredrik Sjövall, Denis Angioletti, Ola Flink, Gunilla Lundmark and Otto Skolling are re-elected as Board members for the period until the end of the next AGM,

that Fredrik Sjövall is re-elected as chairman of the Board, and

that Öhrlings PricewaterhouseCoopers AB is re-elected as audit firm. Öhrlings PricewaterhouseCoopers has informed that the authorized accountant Magnus Lagerberg shall be appointed principle auditor, if the AGM resolves in accordance with the proposal.

The nomination committee has resolved not to propose any amendments to the principles for the appointment of the nomination committee whereby the principles adopted by the AGM 2020 shall continue to apply until the general meeting resolves otherwise.

#### ***The Board's proposals***

#### ***Preparation and approval of the voting register (item 2)***

The voting list proposed to be approved is the voting list prepared by Fredersen Advokatbyrå on behalf of the Company, based on the AGM share register and received postal votes, controlled and checked by the persons assigned to check the minutes.



## PRESS RELEASE

### ***Election of one or two persons to attest the minutes (item 4)***

The Board of Directors proposes Fredrik Sjövall or if he is prevented from participating, the person appointed by the Board of Directors, to attest the minutes. The assignment to attest the minutes also include checking the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

### ***Allocation of the company's profit or loss (item 7b)***

The Board of Directors proposes that no dividend for the financial year 2020 is to be paid.

### ***Resolution on amendments to the articles of association (item 13)***

The Board of Directors proposes the following amendments to the articles of association.

Due to amendments in the Swedish Companies Act, the Board of Directors proposes that § 9 second paragraph which regards the right to participate in general meetings, shall be amended as follows: "Shareholders who wish to attend the general meeting must notify the company no later than the day specified in the notice convening the general meeting, in which case the number of advisors shall be stated. The latter mentioned day may not be a Sunday, another public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday prior to the meeting."

Furthermore, the Board of Directors proposes one minor amendment in § 1, where "name" is replaced by "company name", due to a change in the Swedish Companies Act.

### ***Resolution on authorization for the Board of Directors to issue shares, warrants or convertibles (item 14)***

The Board of Directors proposes that the AGM authorizes the Board of Directors to, one or several occasions during the period up to the next AGM, resolve on a new issue of shares, warrants or convertibles with or without pre-emption rights for the shareholders. Payment may be made in cash, through set-off, with capital contributed in kind, or otherwise as per conditions pursuant to Chapter 2, section 5, second paragraph, items 1-3 and 5 of the Swedish Companies Act. In case the Board of Directors resolves on an issue without pre-emption rights for the shareholders in accordance with the above, the Board of Directors' resolution must be unanimous.

The total number of shares that may be issued, or, in the event of an issue of warrants or convertibles, any additional shares after exercise of any warrant or conversion, pursuant to the authorization in this paragraph, shall be limited to 10 percent of the number of shares in the Company at the time of this general meeting.

The purpose of the proposed authorization is to increase the Company's financial flexibility and the Board of Directors' room for action. Should the Board of Directors resolve on a share issue with deviation from the shareholders' pre-emption rights, the reason for this shall be to broaden the ownership structure, procure working capital, increase the liquidity of the share or acquire businesses, or enable the acquiring of capital for acquisitions.

### ***The Board of Directors' proposal to adopt a long-term incentive program for employees in the Company (item 15)***



## PRESS RELEASE

The Board of Directors of Lipidor proposes that the general meeting resolves to adopt a performance-based incentive program for certain employees in Lipidor (“LTI 2021:1”) in accordance with item 15 (a) and 15 (b) below.

The purpose of the proposal is to create conditions to retain and increase motivation among senior executives, employees and other key individuals in the Company. The Board of Directors believes that it is in the interest of all shareholders that senior executives, employees and other key individuals, which are deemed to be important for the development of the Company, have a long-term interest in a positive growth of the Company's share price. Through the proposed program, a long-term ownership commitment is created, which is expected to stimulate an increased interest in the business and the Company's performance in general.

The program runs over a three-year period and entails that participants are allocated employee stock options, free of charge, with the right to acquire shares in Lipidor at a price corresponding to the quota value of the share. The participants under LTI 2021:1 may also elect to, in part, receive synthetic stock options with the right to cash settlement instead of shares.

The Board of Directors' proposal to adopt the LTI 2021:1 program pursuant to item 15 (a) and (b) below constitutes one proposal and shall be considered one resolution.

The detailed terms and principles of the LTI 2021:1 have been described below.

### Item 15 (a) - Adoption of LTI 2021:1

For LTI 2021:1 the following terms and conditions shall apply:

1. A maximum of 110 000 stock options may be allotted to participants in LTI 2021:1. Allotment of stock options may take place up until the Annual General Meeting 2022 to also enable new recruitments to participate in the program, in accordance with the terms set out below.
2. A maximum of seven employees in Lipidor shall be allowed to participate in LTI 2021:1. The participants are divided into different categories based on their respective positions. The division of stock options will be made in accordance with the following:
  - A. Senior executives, consisting of up to four persons, can be offered a maximum of 80,000 stock options, whereby each may be offered a maximum of 20,000 stock options; and
  - B. Others, consisting of up to three individuals, can be offered a maximum of 30,000 stock options, whereby each may be offered a maximum of 10,000 stock options.
3. LTI 2021:1 is primarily intended for employees in Lipidor. However, the Board of Directors shall have the right to offer consultants the possibility to participate in LTI 2021:1 if it is particularly motivated and can be done in view of the categories and the division of stock options set out above.
4. The allotted stock options are vested after three years from the time of the first allotment.
5. In connection with the offer to participate in LTI 2021:1, each participant has the right to choose whether the stock options are to be allotted in part as synthetic options. Each synthetic option entitles the participant to receive a cash payment corresponding to the value of a share at the time of payment. Each participant has the right to exchange a maximum of 40 percent of allotted stock options for synthetic options.
6. Allotment of stock options and cash payment corresponding to any synthetic options is in each case conditional upon (i) that the participants' employment or assignment in the Company has

not been terminated, with certain exceptions, and (ii) that the participant has entered a separate agreement concerning the stock options and the synthetic options with the Company. The Board of Directors shall ensure that the agreements with the participants contain terms and conditions that prohibit the transfer or pledge of the stock options or synthetic options and that stipulates that unvested stock options or synthetic options will, with certain exceptions, be forfeited should the participant's employment or assignment in the Company be terminated.

7. The stock options or synthetic options shall be allotted to the participants free of charge.
8. Provided that the stock options have been allotted and vested, and provided that the performance conditions have been met, each stock option grants the holder a right to, during the period 1 May 2024, up to and including 31 May 2024, as decided by the Company, either (a) acquire one (1) share in the Company to a price corresponding to the quota value (the current quota value is SEK 0.05 per share) or, (b) free of charge receive a warrant which entitles to subscription of one (1) share in the Company at a price corresponding to the quota value.
9. Participation in LTI 2021:1 is in each case conditional upon the participation being legally possible as well as possible with reasonable administrative costs and financial efforts based on the Company's assessment.
10. The Board of Directors shall be responsible for the agreements with the participants and the administration of LTI 2021:1. In connection therewith, the Board of Directors has the right to make adjustments in order to adjust to certain rules or market conditions outside of Sweden. Further, in extraordinary cases, the Board of Directors is entitled to limit the extent of LTI 2021:1 or terminate the program in advance, in whole or in part.
11. The number of shares that may be acquired for each stock option or the equivalent cash amount to the value of those shares that may be received for each synthetic option shall be recalculated in the event of share splits, rights issues and similar corporate actions with the aim of keeping the economic value of a stock option or a synthetic option unaffected by such actions.

### *Dilution and costs etc.*

The maximum dilution effect of LTI 2021:1, including warrants that may be issued as part of a hedge against social security compensation linked to the program, will not exceed 0.51 percent of the total number of shares in the Company. The dilution has been calculated as additional shares in relation to current and additional shares. When also taking into consideration other incentive programs in the Company, the maximum dilution effect is 2.49 percent.

The stock options will be regarded as personnel costs during the vesting period, without any impact on the Company's cash flow. If the stock options are exercised, LTI 2021 may also entail costs in the form of social security contributions. The total costs for the social security contributions will depend, partially on the participant's employment or assignment form in the Company, partially on the number of stock options and synthetic options that will be vested, partially on the value of the benefit that the participant finally receives, i.e. on the value of the stock options or synthetic options when exercised in 2024. The costs due to social security contributions will be accrued over the vesting period. The Company intends to hedge the entire cost of the social security contributions through an issue of warrants, in accordance with the Board of Directors proposal in item 15 (b) below, which may be exercised by a financial third party in connection with the exercise of the stock options. If the Company



## PRESS RELEASE

creates such a hedge structure, the costs for social security contributions will not affect the Company's cash flow.

Based on the assumption that all options in LTI 2021:1 are vested, an assumed share price of SEK 17 when the stock options or synthetic options are exercised, and an assumed average social security rate of approximately 31.42 percent, the total costs for the program including social security contributions will amount to approximately SEK 2 million, which corresponds to approximately 13 percent of the Company's salary costs for employees (including social security contributions) for the 2020 financial year.

### *Preparation of proposal*

The Board of Directors has prepared LTI 2021:1 in consultation with external advisors.

### *Item 15 (b) - Issue of warrants and approval of the transfer of the warrants to the participants and to third parties*

The Board of Directors proposes that the Company shall issue a maximum of 144,562 warrants, of which 110,000 warrants shall be issued in order to secure the delivery of shares, warrants or cash payment to the participants of LTI 2021:1 in accordance with the terms and conditions of the program, and 34,562 warrants shall be issued as a hedge to reduce exposure to costs associated with social security contributions resulting from the exercise of stock options. The share capital may be increased with a maximum amount of SEK 7,228.1.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emption rights, be granted Lipidor AB (publ). Transfer of 110,000 warrants may occur, at one or several occasions, to the participants of LTI 2021:1 or otherwise to third parties to enable the delivery of shares or cash payment to the participants, in accordance with the terms and conditions of LTI 2021:1. A transfer of 34,562 shares may be made to third parties with the purpose of bringing in capital to cover the costs of social security contributions resulting from the exercise of the stock options.
2. The reason for the deviation from the shareholders' pre-emption rights is the adoption of LTI 2021:1.
3. The warrants shall be issued free of charge.
4. Subscription of the warrants shall take place within two months from the date of the resolution to issue warrants. The Board of Directors shall be entitled to extend the subscription period.
5. The warrants shall entitle to subscribe for shares during the period 1 May 2024 up to and including 31 May 2024.
6. Each warrant shall entitle to the subscription of one (1) share at a subscription price corresponding to the quota value of the share. Recalculation may occur in accordance with the terms and conditions for the warrants. Any premium shall be allocated to the share premium reserve.
7. The newly issued shares shall entitle to dividend for the first time on the first record date that occurs after completion of a share subscription.
8. The warrants are subject to the complete terms and conditions for the warrants.
9. The Board of Directors, or the person that the Board of Directors may appoint, shall be authorized to make minor adjustments necessary in connection with the registration of the resolution with the Swedish Companies Registration Office.





## PRESS RELEASE

### Majority requirements

Resolutions in accordance with items 13 and 14 above require approval of at least two thirds (2/3) of the shares represented and votes cast at the AGM. The resolution in accordance with item 15 above requires approval of at least nine tenths (9/10) of the shares represented and votes cast at the AGM.

### Further information

As per the date of this notice, the total number of shares and votes in the Company are 28,396,863. The Company does not hold any own shares.

The annual report, audit report, postal notification and proxy forms, the Board's complete proposals as well as complete underlying documentation, will be made available by the Company and at the Company's website at least three weeks before the AGM. The documents will be sent to shareholders who request it and provide their postal address.

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda and circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to other companies within the Group. A request for such information shall be made in writing to the Company no later than 29 May 2021, to Lipidor AB (publ) c/o Fredersen Advokatbyrå, Turning Torso, SE-211 15 Malmö, Sweden, or by e-mail to [lipidor@fredersen.se](mailto:lipidor@fredersen.se). The information will be made available on the Company's website [www.lipidor.se](http://www.lipidor.se) and at the Company's offices at Lipidor, Karolinska Institutet Science Park, Fogdevreten 2, SE-171 65 Solna, Sweden, no later than 3 June 2021. The information will also be sent to the shareholder who has requested the information and stated its address.

The Company has its registered office in Stockholm.

### Processing of personal data

For information on how your personal data is processed, see:

<https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>

Stockholm, May 2021

**Lipidor AB (publ)**

*The Board of Directors*

### Information

*The information was provided for publication through the office of Lipidor's CEO on 7<sup>th</sup> May 2021 at 11.00am (CEST).*





## PRESS RELEASE

### **For more information, please contact:**

Ola Holmlund, CEO  
Telephone: +46 (0)72 50 70 369  
Email: [ola.holmlund@lipidor.se](mailto:ola.holmlund@lipidor.se)

### **Certified Adviser**

Erik Penser Bank AB  
Telephone: +46 (0)8 463 80 00  
E-mail: [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se)

### **About Lipidor AB**

Lipidor AB ([www.lipidor.se](http://www.lipidor.se)) is a Swedish, Stockholm-based research and development company with a pipeline of pharmaceutical development projects in preclinical and clinical phases. The Company develops topical medical products for the treatment of diseases such as psoriasis, bacterial skin infections and atopic dermatitis by reformulation of proven pharmaceutical substances.