

Press release April 16, 2020, 09.30 p.m., CET.

*N.B. The English language version of this notice is an unofficial translation. In case of any discrepancy between the English and Swedish language versions, the Swedish language version shall prevail.*

## Notice of Annual General Meeting in Sedana Medical AB (publ)

The shareholders in Sedana Medical AB (publ), reg. no. 556670-2519, are hereby given notice to attend the annual general meeting on Tuesday 19 May 2020 at 4:00 p.m. (CEST) at Konferens Spårvagnshallarna, Birger Jarlsgatan 57 A in Stockholm. Registration for the meeting commences at 3:45 p.m. (CEST).

### Participation

A shareholder wishing to participate at the meeting must be entered as shareholder in the share register kept by Euroclear Sweden AB on the record date Wednesday 13 May 2020, and must notify the company of their attendance no later than Wednesday 13 May 2020 at the following address: Sedana Medical AB (publ), Vendevägen 87, 182 32 Danderyd, Sweden. Notification on attendance may also be made by telephone on tel: +46 (0)8-124 05 200 or by e-mail to corp@sedanamedical.com. Notification on attendance should include full name, address, daytime telephone number, personal identification number or corporate registration number, shareholding and information about representatives, proxies and assistants, if any.

### Nominee registered shares

Shareholders who have their shares registered in the name of a nominee must, in order to be entitled to participate at the meeting, register the shares in their own name (so-called "voting registration"). Such voting registration, which is temporary, must be duly effected with Euroclear Sweden AB on the record day Wednesday 13 May 2020, which means that the shareholder must ask their nominee to effectuate the voting registration well in advance of said date.

### Proxies etc.

Shareholders who are represented by proxy shall issue a written, dated power of attorney for the proxy or, should the right to vote for the shares be divided among different proxies, the proxies together with information on the number of shares each proxy is entitled to vote for. The proxy may be issued no earlier than one year prior to day of the meeting, unless it is stated in the power of attorney that it should be valid for longer (however, never longer than five years). If the power of attorney is issued by a legal entity, the power of attorney shall be accompanied by a copy of the registration certificate or equivalent documents of authority evidencing the authority to issue the power of attorney. To facilitate entry to the meeting, a copy of the power of attorney and, if applicable, registration certificate should be sent to the company at the postal address or e-mail address set out above well in advance of the meeting. The original power of attorney shall also be presented at the meeting. A proxy form is available on the company's website, [www.sedanamedical.com](http://www.sedanamedical.com), and can be sent, free of charge, to shareholders who so request and state their postal address.

### Information by reason of the outbreak of the new coronavirus and Covid-19

By reason of the outbreak of the new coronavirus and Covid-19, the company will take a number of precautionary measures before and in connection with the annual general meeting 2020, with the aim to reduce the risk of spreading the virus. Inter alia, the number of representatives from the company's board of directors, management and nomination committee as well as personnel will be limited. Further, the duration of the annual general meeting will be limited as far possible, and no food or refreshments will be served in connection to the general meeting.

For detailed information about measures and instructions by reason of the new coronavirus and Covid-19, please refer to the company's website, [www.sedanamedical.com](http://www.sedanamedical.com). The company are monitoring the developments closely, and in the event of updated instructions from the Public Health Agency of Sweden (Sw. *Folkhälsomyndigheten*), the Government (Sw. *regeringen*) or other relevant public authorities, the company may resolve upon increased or updated measures by reason of the outbreak of the new coronavirus and Covid-19. If applicable, information about such increased or updated measures will be published on the company's website.

### Proposed agenda

1. Opening of the meeting and election of chairman of the meeting
2. Preparation and approval of the voting list
3. Election of one or two persons to approve the minutes of the meeting
4. Determination of whether the meeting has been duly convened
5. Approval of the agenda
6. Presentation of the annual report and the auditor's report as well as of the consolidated accounts and the consolidated auditors report

7. Resolution in respect of adoption of the profit and loss statement and the balance sheet as well as the consolidated profit and loss statement and the consolidated balance sheet
8. Resolution in respect of allocation of the company's profits according to the adopted balance sheet
9. Resolution in respect of discharge from liability for the members of the board of directors and the CEO
10. Determination of fees payable to the board of directors and the auditors
11. Determination of the number of ordinary board members, auditors and deputies, as applicable
12. Election of board members, auditors and deputies, as applicable
13. Resolution on an authorisation for the board of directors to issue new shares
14. Resolution on amendment of the articles of association
15. Resolution on incentive programme 2020/2023 for co-workers by way of directed issue of warrants to a subsidiary for subsequent transfer to participants, including:
  - A. Resolution on an issue of warrants to Sedana Medical Incentive AB;
  - B. Resolution on approval of a transfer of warrants to participants; and
  - C. Information regarding the preparation of the board of directors' proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc.
16. Resolution on incentive programme 2020/2024 for current and new co-workers by way of directed issue of warrants to a subsidiary for subsequent transfer to participants, including:
  - A. Resolution on an issue of warrants to Sedana Medical Incentive AB;
  - B. Resolution on approval of a transfer of warrants to participants; and
  - C. Information regarding the preparation of the board of directors' proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc.
17. Closing of the meeting

## **The nomination committee's resolution proposals**

The nomination committee of the company is composed of the following members:

- Karl Tobieson, chairman of the nomination committee and appointed by Linc AB;
- Thomas Eklund, chairman of the board of directors;
- Sten Gibeck, shareholder and board member; and
- Anders Walldov, shareholder (directly and indirectly through Brohuvudet AB).

The nomination committee has presented the following resolution proposals in relation to items 1 and 10–12 on the proposed agenda.

### **Election of chairman of the meeting (item 1)**

The nomination committee proposes that the chairman of the board of directors, Thomas Eklund, is elected chairman of the meeting.

### **Election of board members and auditors as well as determination of the fees payable to the board of directors and auditors, etc. (items 10–12)**

The board of directors of the company currently consists of five ordinary members without deputy board members and the company currently has one auditor and one deputy auditor. The nomination committee proposes that the board of directors shall consist of six ordinary board members without deputy board members, and that a registered auditing company shall be appointed as auditor.

The board of directors of the company currently consists of the ordinary members Thomas Eklund (chairman), Sten Gibeck, Bengt Julander, Ola Magnusson and Eva Walde. The nomination committee proposes re-election of all current board members as well as election of Christoffer Rosenblad as new ordinary board member, for the period until the end of the next annual general meeting. The nomination committee further proposes re-election of Thomas Eklund as chairman of the board.

The nomination committee proposes election of PricewaterhouseCoopers AB as new auditor of the company for the period until the end of the next annual general meeting. PricewaterhouseCoopers AB has informed that Leonard Daun will be appointed as principal auditor.

The nomination committee proposes that, for the period until the end of the next annual general meeting, fees payable to the board of directors shall amount to a total of SEK 1,000,000, of which SEK 400,000 shall be paid to the chairman of the board, SEK 100,000 shall be paid to each of the proposed board members Sten Gibeck, Bengt Julander and Ola Magnusson (who are also major shareholders in the company), and SEK 150,000 shall be paid

to each of the other board members elected by the general meeting. It is further proposed that fees payable for work on the board's audit committee, which is under establishment, shall be paid with SEK 25,000 to its chairman and with SEK 12,500 to each of the other members. Lastly, the nomination committee proposes that fees payable to the auditor shall be paid in accordance with approved invoices within the frame of the quotation.

## **About Christoffer Rosenblad**

Christoffer Rosenblad, who is proposed as new ordinary board member of Sedana Medical, has long and broad experience mainly within medical technology. Christoffer is CFO and deputy CEO of XVIVO Perfusion AB and has previously held several leading positions within business and strategical management at Novartis and LG Electronics. Christoffer is a member of the board of directors of a subsidiary within the XVIVO Perfusion group but does not hold any other board positions. Christoffer has a Master of Science in Mechanical Engineering from the Chalmers University of Technology and a Bachelor of Science in Financial Economy from the School of Business, Economics and Law at the University of Gothenburg in Sweden.

Information about the other proposed board members is available on [www.sedanamedical.com](http://www.sedanamedical.com).

## **The board of directors' resolution proposals**

### **Resolution in respect of allocation of the company's profits according to the adopted balance sheet (item 8)**

The board of directors proposes that the company's accumulated profits shall be carried forward into new accounts and that no dividends shall be paid for the financial year 2019.

### **Resolution on an authorisation for the board of directors to issue new shares (item 13)**

The board of directors proposes that the annual general meeting resolves on an authorisation for the board of directors to, at one or more occasions during the period until the next annual general meeting, with or without deviation from the shareholders' preferential rights, resolve on new share issues. The number of shares issued by exercise of the authorisation may not exceed 10% of the total number of shares outstanding in the company as of the date of the annual general meeting. A new issue may be made with or without stipulations regarding non-cash consideration, set-off or other conditions referred to in Chapter 13, Section 5, first paragraph, item 6 of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The objective of the authorisation is to provide the board of directors with flexibility in its work to ensure that the company can procure capital for the financing of the operations in an appropriate manner, to enable business or company acquisitions and to enable a broadening of the company's shareholder base.

### **Resolution on amendment of the articles of association (item 14)**

The board of directors proposes that the annual general meeting resolves to amend the articles of association in accordance with the proposal set out below.

#### **Current wording**

##### **§ 1 Name of the company (Sw. *firma*)**

The name of the company (Sw. *firma*) is Sedana Medical AB (publ).

##### **§ 6 Board of directors**

The board of directors shall consist of not less than three (3) and not more than six (6) members with not more than three (3) deputy members. The members are to be elected annually at the annual general meeting until the end of the next annual general meeting.

##### **§ 7 Auditors**

The company shall have a minimum of one (1) and a maximum of two (2) auditors, with a maximum of two (2) deputy auditors.

#### **Proposed wording**

##### **§ 1 Name of the company (Sw. *företagsnamn*)**

The name of the company (Sw. *företagsnamn*) is Sedana Medical AB (publ).

##### **§ 6 Board of directors**

The board of directors shall consist of not less than three (3) and not more than six (6) members. The members are to be elected annually at the annual general meeting until the end of the next annual general meeting.

##### **§ 7 Auditors**

The company shall have a minimum of one (1) and a maximum of two (2) auditors, with a maximum of two (2) deputy auditors. *A registered accounting firm may also be appointed as auditor.*

## § 9 Notice of general meeting

Notices of general meetings shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens industri that a notice has been made.

Shareholders wishing to participate in general meetings must be listed as shareholder in a printout or other presentation of the entire share register reflecting the circumstances five weekdays before the general meeting and notify the company no later than the date specified in the notice of the general meeting. The last mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.

The proposed amendment of § 1 is made due to changes in the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)). The proposed amendment of § 6 is made with the purpose of adjusting the articles of association in accordance with the Swedish Code of Corporate Governance ("**Code**"), in the event that the company should undertake to comply with the Code in connection with a potential future listing on Nasdaq Stockholm. The proposed amendment of § 7 is an editorial clarification and is made by reason of to the nomination committee's proposal that a registered accounting firm is appointed as auditor. The proposed amendments in § 9 is made due to future changes of certain rules regarding record dates in the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)).

## **Resolution on incentive programme 2020/2023 co-workers by way of a directed issue of warrants to a subsidiary to be subsequently transferred to participants (item 15)**

The board of directors proposes that the annual general meeting resolves to establish a long-term incentive programme ("**Incentive Programme 2020/2023**") by way of an issue of warrants to Sedana Medical Incentive AB, reg. no. 559109-8826, (the "**Subsidiary**") for subsequent transfer to employees and consultants (jointly "**Co-workers**") of the company and the Group (as defined below) in accordance with what is set out in this proposal.

### **Background and objectives**

The objectives of the proposal is to establish conditions to recruit and maintain qualified personnel in the Group and to increase the motivation of the Co-workers of the Group, by reaching an increased community of interest between the Co-workers and the shareholders of the company. The board of directors finds that it is in all shareholders' interests that the company's Co-workers have a long term interest in a positive price development of the company's shares. A long-term ownership engagement is expected to stimulate an increased interest for the business and the earnings as a whole and is expected to increase motivation for the participants in Incentive Programme 2020/2023.

Co-workers of the company, including the company's branch in Spain, as well as of the company's subsidiaries in the United Kingdom, Ireland, Germany, Norway, France and the Netherlands (jointly the "**Group**") may be offered to participate in Incentive Programme 2020/2023.

Resolutions in accordance with items 15A and 15B below are conditional upon each other. As items 15A and 15B are governed by the provisions in Chapter 16 of the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)), valid resolutions require that the proposals are supported by at least nine-tenths of the votes cast as well as of all shares represented at the meeting.

Information regarding the preparation of the proposal, costs for the programme, other incentive programmes in the company, dilution etc. are presented in item 15C below.

## § 9 Notice of general meeting

Notices of general meetings shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens industri that a notice has been made.

Shareholders wishing to participate *at a general meeting shall notify the company no later than the date specified in the notice of the general meeting. Such date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.*

## **The board of directors' resolution proposal on an issue of warrants 2020/2023 to Sedana Medical Incentive AB (item 15A)**

The board of directors of the company proposes that the annual general meeting resolves upon an issue of not more than 325,000 warrants of series 2020/2023, which upon exercise may result in an increase in the share capital of the company of not more than SEK 32,500.00. The warrants shall entitle to subscription of new shares in the company. For the issue of warrants, the following terms shall apply.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only vest in the Subsidiary, with a right and obligation to, at one or several occasions, transfer the warrants to Co-workers of the company in accordance with instructions from the board of directors of the company and otherwise in accordance with the terms and conditions and guidelines specified in item 15B below.
2. The warrants shall be subscribed for by the Subsidiary no later than on 20 May 2020 on a separate subscription list, with a right for the board of directors of the company to extend the subscription period.
3. The warrants shall be subscribed for without any consideration paid.
4. Each warrant entitles to subscription of one (1) new share in the company during the period from and including 1 June 2023 until and including 30 September 2023, or until such earlier date as is set out in items 8 k)-m) of the complete terms and conditions for the warrants, at a subscription price corresponding to 140% of the volume weighted average price of the company's share on Nasdaq First North Growth Market during the period from and including 20 April 2020 until and including 19 May 2020. The calculated subscription price shall be rounded off to the nearest whole SEK 0.01, whereupon SEK 0.005 shall be rounded to SEK 0.01. The subscription price may not be set to an amount below the quota value of the share.
5. A new share which is subscribed by exercise of a warrant shall entitle to participation in the distribution of profits for the first time on the nearest record date occurring after the new share has been recorded in the share register kept by Euroclear Sweden AB.
6. The warrants are governed by complete terms and conditions including, inter alia, customary recalculation conditions which inter alia imply that the subscription price, as well as the number of shares that a warrant entitles to subscription of, may be re-calculated in certain cases.

The reason for the issue of warrants and for the deviation from the shareholders' preferential rights is to implement Incentive Programme 2020/2023 (for more information, please see the heading "Background and objectives" above).

The chairman of the board of directors, or a person appointed by him, shall be authorized to make such minor adjustments to the resolution that may be required in connection with the registration of the resolution with the Swedish Companies Registration Office.

## **The board of directors' resolution proposal on approval of a transfer of warrants to participants (item 15B)**

The board of directors of the company proposes that the annual general meeting resolves to approve that the Subsidiary may transfer not more than 325,000 warrants 2020/2023 in the company to Co-workers of the Group, or otherwise dispose of the warrants in order to fulfil the company's and the Subsidiary's obligations by reason of Incentive Programme 2020/2023, on the following terms and conditions.

1. Co-workers of the Group (employees as well as consultants) will, within the framework of Incentive Programme 2020/2023, be offered to acquire warrants after a division between three different categories, as set out below.
  - A. Members of the Group management (not more than six Co-workers): a maximum of between 30,000 and 50,000 warrants per Co-worker.
  - B. Other senior key persons and specialists (not more than approximately four Co-workers): a maximum of 15,000 warrants per Co-worker.
  - C. Certain other Co-workers (not more than approximately 15 Co-workers): a maximum of 5,000 warrants per Co-worker.

2. A precondition in order for a Co-worker to be entitled to participate in Incentive Programme 2020/2023 is that such person has commenced its employment in the company or the Group no later than the 20 May 2020 or, as regards consultants, that a consulting engagement has commenced no later than the mentioned date. Co-workers may neither, in order to be entitled to participate in Incentive Programme 2020/2023, have terminated their employment/assignment, or been given notice of dismissal, as of 20 May 2020.
3. A further precondition for being entitled to participate in Incentive Programme 2020/2023 is that participants, in an agreement entered into with the Subsidiary, undertakes to sell back acquired warrants to the Subsidiary if the participant's employment in or engagement with the Group ceases before three years have passed from the day of transfer of the warrants to the participant. The number of warrants a participant will be obliged to sell back to the Subsidiary will decrease gradually by approximately 33% per year (i.e. after one, two and three years, respectively, from the time of transfer of the warrants to the participant), provided that the participant is still employed or engaged as a consultant in the Group on said dates, and with reservation for certain conditions according to which a participant may, under certain circumstances, be obliged to sell back all held warrants to the Subsidiary if there is a cause (*Sw. saklig grund*) for termination of the employment/consulting engagement. If the employment/consulting engagement is terminated due to disease or injury, or redundancy (*Sw. arbetsbrist*) as regards employment, the participant may however be entitled to keep all originally acquired warrants. The warrant holder agreement that will be entered into between the Subsidiary and participants will also contain certain transfer restrictions and other terms and conditions which are customary for such agreements.
4. In case of over-subscription from persons offered to acquire warrants, whereby the total number of warrants that Co-workers wish to acquire exceeds the total number of issued warrants 2020/2023, allotment shall at first hand be made proportionally in relation to the number of warrants subscribed for and at second hand by the drawing of lots to be conducted by the company.
5. Transfer of warrants to participants in Incentive Programme 2020/2023 shall be made at a price corresponding to the market value of the warrants as of the date of the transfer, which shall be calculated by use of the Black & Scholes valuation formula by an independent valuation agent. For more information about the valuation, see the heading "Valuation" under item 15C below.
6. Notification of interest for acquisition of warrants shall be made during the period from and including around 20 April 2020 up to and including 19 May 2020. The warrants shall thereafter, provided that the general meeting resolves in accordance with this item 15B and item 15A above, be transferred to the participants around 20 May 2020, whereupon payment shall be made within approximately a week. The board of directors of the company shall however be entitled to prolong or delay the notification period and the period for transfer of and payment for warrants. The transfers shall, however, have been effected no later than 15 June 2020.
7. Warrants which have not been transferred to Co-workers within the framework of Incentive Programme 2020/2023 by 15 June 2020 shall be cancelled.
8. A precondition for transfers of warrants within the framework of Incentive Programme 2020/2023 is that such transfers may be lawfully made and that transfers, according to the board of directors' assessment, may be effected with reasonable administrative costs and economic contributions.

For information about the preparation of the board of directors' resolution proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc., see item 15C below.

**Information regarding the preparation of the board of directors' proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc. (item 15C)**

**Preparation of the proposal**

The board of directors' resolution proposal for Incentive Programme 2020/2023 has been prepared by the board of directors of the company together with external advisers.

## Valuation

Transfer of warrants 2020/2023 shall be made at a price corresponding to the market value of the warrants at the time of transfer. The market value of the warrants will be finally settled by an independent valuation agent at the time of the transfer of the warrants to the participants in Incentive Programme 2020/2023, by use of the Black & Scholes valuation formula.

According to a preliminary valuation made by the independent valuation institute, the market value of the warrants will amount to approximately SEK 31.45 per warrant, under the assumption that (i) the warrants will be transferred to participants on 20 May 2020, (ii) that the volume weighted average payment rate for the company's share on Nasdaq First North Growth Market during the period 20 April 2020–19 May 2020 will amount to SEK 160.9 (the "**Comparison Rate**"), whereby the subscription price per share upon exercise of a warrant will amount to SEK 225.3, i.e. corresponding to 140% of the Comparison Rate, (iii) a risk free interest rate during the term of the warrants of -0.32%, (iv) an estimated volatility for the company's share during the term of the warrants of 43% and (v) that no dividends or other value transfers (*Sw. värdeöverföringar*) will be made during the term of the warrants.

## Costs and effects on key performance measures

As the warrants are transferred at the assessed market value at the time of transfer, determined by an independent valuation agent, the board of directors assesses that there will be no social security costs for the company as a result of Incentive Programme 2020/2023. Incentive Programme 2020/2023 is therefore estimated to give rise only to limited costs in relation to the implementation and administration of the incentive programme, including, inter alia, fees to external advisers and the valuation agent.

Provided that the assessed market value for each warrant 2020/2023 will amount to SEK 31.45 at the time of transfer to participants in Incentive Programme 2020/2023, the Group may further be contributed with a total of approximately SEK 10.2 million in the form of cash payments for warrants acquired (assuming full subscription in the incentive programme). In case of exercise of warrants 2020/2023 for subscription of shares at the end of the term of the warrants, provided that the subscription price for each share is SEK 225.3, the company may further be contributed with issue proceeds amounting to a total of up to approximately SEK 73.2 million in 2023 (assuming that all 325,000 warrants 2020/2023 will be exercised for subscription of shares).

Dilution, if any, which Incentive Programme 2020/2023 may result in, will affect the company's earnings per share. For more information about dilutive effects, see the heading "Dilution" below.

## Participation of board members

No board members of the company will be offered to participate in Incentive Programme 2020/2023.

## Other outstanding warrants and share based incentive programmes

At the annual general meeting in the company held on 19 May 2017 it was resolved to adopt a warrant based incentive programme 2017/2021, intended for certain senior executives in the company. In total, 310,149 warrants 2017/2021 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive program. All of the issued warrants were subsequently transferred to the CEO, CFO and CMO of the company. Each warrant 2017/2021 entitles to subscription for one new share in the company during the period 15 May 2020–31 January 2021 at a subscription price of SEK 25.35 per share (corresponding to 130% of the introductory subscription price in the new share issue which was made in connection to the listing of the company's share on Nasdaq First North Growth Market in 2017). Assuming that all currently outstanding warrants 2017/2021 are exercised for subscription of new shares in the company, the company's share capital will increase by SEK 31,014.90 divided between 310,149 shares.

At the annual general meeting in the company held on 28 May 2019 it was resolved to adopt a warrant based incentive programme 2019/2022, intended for senior executives, senior key persons and specialists as well as other co-workers in the company and the Group. In total, 370,000 warrants 2019/2022 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive programme. In total, 84,403 warrants 2019/2022 were transferred to participants in the incentive programme during June and August 2019. The remaining 285,597 warrants 2019/2022 which were not transferred to participants in the incentive programme have been cancelled. Each warrant 2019/2022 entitles to subscription of one new share in the company during the period 1 July–30 November 2022 at a subscription price of SEK 142.23 per share (corresponding to 130% of the volume weighted average price of the company's share on Nasdaq First North Growth Market during the period 12 May–12 June 2019). Assuming that all currently outstanding warrants 2019/2022 are exercised for subscription of new

shares in the company, the company's share capital will increase by SEK 8,440.3 divided between 84,403 new shares.

The board of directors of the company has proposed that the annual general meeting 2020 resolves to adopt another warrant based incentive programme, incentive programme 2020/2024, intended for current *and new* members of management, senior key persons and specialists as well as other selected co-workers of the company and the Group. The board of directors has proposed that 360,000 warrants 2020/2024 shall be issued to the company's subsidiary, Sedana Medical Incentive AB, for subsequent transfer to current Co-workers and persons who commence employment or assignment within the Group during the period 21 May 2020–31 January 2021. Such transfers of warrants are scheduled to take place around 31 January 2021. Each warrant 2020/2024 entitles to subscription of one new share in the company during the period 1 February–31 May 2024 at a subscription price corresponding to 140% of the volume weighted average price for the company's share on Nasdaq First North Growth Market during the period 1 January–30 January 2021. Provided that the annual general meeting resolves in accordance with the board of directors' proposal to adopt incentive programme 2020/2024, and that all warrants 2020/2024 are transferred to co-workers of the Group and are exercised for subscription of new shares in the company, the company's share capital will increase by SEK 36,000.00 divided between 360,000 new shares. For more information about the proposed incentive programme 2020/2024, see the separate resolution proposal under item 16 in the proposed agenda for the annual general meeting.

## **Dilution**

At the date of adoption of this resolution proposal, the total number of shares and votes in the company amounts to 22,736,591.

The dilutive effect of Incentive Programme 2020/2023 is estimated to amount to a maximum of approximately 1.41% of the total number of shares and votes in the company (based on the current number of shares and votes in the company, disregarding outstanding warrants, and assuming full exercise of all warrants 2020/2023).

The accumulated dilutive effect of all outstanding and proposed share related incentive programmes (incentive programmes 2017/2021, 2019/2022, 2020/2023 and 2020/2024) is estimated to amount to a maximum of approximately 4.53% of the total number of shares and votes in the company (calculated based on the current number of shares and votes in the company, and assuming full exercise of all outstanding warrants and all warrants that may come to be issued within the framework of the proposed incentive programmes 2020/2023 and 2020/2024).

## **Resolution on incentive programme 2020/2024 for current and new co-workers by way of a directed issue of warrants to a subsidiary to be subsequently transferred to participants (item 16)**

The board of directors proposes that the annual general meeting resolves to establish a long-term incentive programme ("**Incentive Programme 2020/2024**") by way of an issue of warrants to Sedana Medical Incentive AB, reg. no. 559109-8826, (the "**Subsidiary**") for subsequent transfer to current and new employees and consultants (jointly "**Co-workers**") of the company and the Group (as defined below) in accordance with what is set out in this proposal.

## **Background and objectives**

The objectives of the proposal is to establish conditions to recruit and maintain qualified personnel in the Group and to increase the motivation of the Co-workers of the Group, by reaching an increased community of interest between the Co-workers and the shareholders of the company. The board of directors finds that it is in all shareholders' interests that the company's Co-workers have a long-term interest in a positive price development of the company's shares. A long-term ownership engagement is expected to stimulate an increased interest for the business and the earnings as a whole and is expected to increase motivation for the participants in Incentive Programme 2020/2024.

Current Co-workers, as well as Co-workers commencing their employment or assignment, in the Group (in accordance with the definition below), during the period 21 May 2020–31 January 2021, may be offered to participate in Incentive Program 2020/2024. The "**Group**" means the company, including the company's branch in Spain, as well as of the company's subsidiaries in the United Kingdom, Ireland, Germany, Norway, France and the Netherlands and newly established branches and/or subsidiaries, if any.

Resolutions in accordance with items 16A and 16B below are conditional upon each other. As items 16A and 16B are governed by the provisions in Chapter 16 of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), valid resolutions require that the proposals are supported by at least nine-tenths of the votes cast as well as of all shares represented at the meeting.

Information regarding the preparation of the proposal, costs for the programme, other incentive programmes in the company, dilution etc. are presented in item 16C below.

## **The board of directors' resolution proposal on an issue of warrants 2020/2024 to Sedana Medical Incentive AB (item 16A)**

The board of directors of the company proposes that the annual general meeting resolves upon an issue of not more than 360,000 warrants of series 2020/2024, which upon exercise may result in an increase in the share capital of the company of not more than SEK 36,000.00. The warrants shall entitle to subscription of new shares in the company. For the issue of warrants, the following terms shall apply.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only vest in the Subsidiary, with a right and obligation to, at one or several occasions, transfer the warrants to Co-workers of the company in accordance with instructions from the board of directors of the company and otherwise in accordance with the terms and conditions and guidelines specified in item 16B below.
2. The warrants shall be subscribed for by the Subsidiary no later than on 30 June 2020 on a separate subscription list, with a right for the board of directors of the company to extend the subscription period.
3. The warrants shall be subscribed for without any consideration paid.
4. Each warrant entitles to subscription of one (1) new share in the company during the period from and including 1 February 2024 until and including 31 May 2024, or until such earlier date set out in items 8 k)-m) of the complete terms and conditions for the warrants, at a subscription price corresponding to 140% of the volume weighted average price of the company's share on Nasdaq First North Growth Market during the period from and including 1 January 2021 until and including 30 January 2021. The calculated subscription price shall be rounded off to the nearest whole SEK 0.01, whereupon SEK 0.005 shall be rounded to SEK 0.01. The subscription price may not be set to an amount below the quota value of the share.
5. A new share which is subscribed by exercise of a warrant shall entitle to participation in the distribution of profits for the first time on the nearest record date occurring after the new share has been recorded in the share register kept by Euroclear Sweden AB.
6. The warrants are governed by complete terms and conditions including, inter alia, customary recalculation conditions which inter alia imply that the subscription price, as well as the number of shares that a warrant entitles to subscription of, may be re-calculated in certain cases.

The reason for the issue of warrants and for the deviation from the shareholders' preferential rights is to implement Incentive Programme 2020/2024 (for more information, please see the heading "Background and objectives" above).

The chairman of the board of directors, or a person appointed by him, shall be authorized to make such minor adjustments to the resolution that may be required in connection with the registration of the resolution with the Swedish Companies Registration Office.

## **The board of directors' resolution proposal on approval of a transfer of warrants to participants (item 16B)**

The board of directors of the company proposes that the annual general meeting resolves to approve that the Subsidiary may transfer not more than 360,000 warrants 2020/2024 in the company to current and new Co-workers of the Group, or otherwise dispose of the warrants in order to fulfil the company's and the Subsidiary's obligations by reason of Incentive Programme 2020/2024, on the following terms and conditions.

1. Co-workers of the Group (employees as well as consultants) will, within the framework of Incentive Programme 2020/2024, be offered to acquire warrants after a division between three different categories, as set out below.
  - A. Members of the Group management: a maximum of between 30,000 and 50,000 warrants per Co-worker.
  - B. Other senior key persons and specialists: a maximum of 15,000 warrants per Co-worker.
  - C. Certain other Co-workers: a maximum of 5,000 warrants per Co-worker.

2. A precondition in order for a Co-worker to be entitled to participate in Incentive Programme 2020/2024 is that such person has commenced its employment in the company or the Group no later than 31 January 2021 or, as regards consultants, that a consulting engagement has commenced no later than the mentioned date. Co-workers may neither, in order to be entitled to participate in Incentive Programme 2020/2024, have terminated their employment/assignment, or been given notice of dismissal, as of 31 January 2021, or have acquired warrants in the proposed incentive program 2020/2023 in the company (for more information, see the heading "Other outstanding warrants and share based incentive programmes" under item 16C below).
3. A further precondition for being entitled to participate in Incentive Programme 2020/2024 is that participants, in an agreement entered into with the Subsidiary, undertakes to sell back acquired warrants to the Subsidiary if the participant's employment in or engagement with the Group ceases before three years have passed from the day of transfer of the warrants to the participant. The number of warrants a participant will be obliged to sell back to the Subsidiary will decrease gradually by approximately 33% per year (i.e. after one, two and three years, respectively, from the time of the transfer of the warrants to the participant), provided that the participant is still employed or engaged as a consultant in the Group on said dates, and with reservation for certain conditions according to which a participant may, under certain circumstances, be obliged to sell back all held warrants to the Subsidiary if there is a cause (Sw. *saklig grund*) for termination of the employment/consulting engagement. If the employment/consulting engagement is terminated due to disease or injury, or redundancy (Sw. *arbetsbrist*) as regards employment, the participant may however be entitled to keep all originally acquired warrants. The warrant holder agreement that will be entered into between the Subsidiary and participants will also contain certain transfer restrictions and other terms and conditions which are customary for such agreements.
4. In case of over-subscription from persons offered to acquire warrants, whereby the total number of warrants that Co-workers wish to acquire exceeds the total number of issued warrants 2020/2024, allotment shall at first hand be made proportionally in relation to the number of warrants subscribed for and at second hand by the drawing of lots to be conducted by the company.
5. Transfer of warrants to participants in Incentive Programme 2020/2024 shall be made at a price corresponding to the market value of the warrants as of the date of the transfer, which shall be calculated by use of the Black & Scholes valuation formula by an independent valuation agent. For more information about the valuation, see the heading "Valuation" under item 16C below.
6. The warrants shall, provided that the general meeting resolves in accordance with this item 16B and item 16A above, be transferred to the participants around 31 January 2021, whereupon payment shall be made within approximately a week. The board of directors of the company shall however be entitled to delay the period for transfer of and payment for warrants. The transfers shall, however, have been effected no later than 15 February 2021.
7. Warrants, which have not been transferred to Co-workers within the framework of Incentive Programme 2020/2024 by 15 February 2021, shall be cancelled.
8. A precondition for transfers of warrants within the framework of Incentive Programme 2020/2024 is that such transfers may be lawfully made and that transfers, according to the board of directors' assessment, may be effected with reasonable administrative costs and economic contributions.

For information about the preparation of the board of directors' resolution proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc., see item 16C below.

**Information regarding the preparation of the board of directors' proposal, costs for the programme, other outstanding share related incentive programmes, dilution etc. (item 16C)**

**Preparation of the proposal**

The board of directors' resolution proposal for Incentive Programme 2020/2024 has been prepared by the board of directors of the company together with external advisers.

## Valuation

Transfer of warrants 2020/2024 shall be made at a price corresponding to the market value of the warrants at the time of transfer. The market value of the warrants will be finally settled by an independent valuation agent at the time of the transfer of the warrants to the participants in Incentive Programme 2020/2024, by use of the Black & Scholes valuation formula.

Given that the warrants will not be transferred to the participants until around 31 January 2021, and that the market value of the warrants will be determined at the time of the transfer, it is difficult to estimate the market value of the warrants at the time of adoption of this proposal. According to a preliminary valuation made by the independent valuation institute with regards to the conditions at the time of the adoption of this proposal, however, the market value of the warrants will amount to approximately SEK 31.45 per warrant, under the assumption that (i) the warrants will be transferred to participants on 31 January 2021, (ii) that the volume weighted average payment rate for the company's share on Nasdaq First North Growth Market during the period 1 January 2021–30 January 2021 will amount to SEK 160.9 (the "**Comparison Rate**"), whereby the subscription price per share upon exercise of a warrant will amount to SEK 225.3, i.e. corresponding to 140% of the Comparison Rate, (iii) a risk free interest rate during the term of the warrants of -0.32%, (iv) an estimated volatility for the company's share during the term of the warrants of 43% and (v) that no dividends or other value transfers (Sw. *värdeöverföringar*) will be made during the term of the warrants.

## Costs and effects on key performance measures

As the warrants are transferred at the assessed market value at the time of transfer, determined by an independent valuation agent, the board of directors assesses that there will be no social security costs for the company as a result of Incentive Programme 2020/2024. Incentive Programme 2020/2024 is therefore estimated to give rise only to limited costs in relation to the implementation and administration of the incentive programme, including, inter alia, fees to external advisers and the valuation agent.

Provided that the assessed market value for each warrant 2020/2024 will amount to SEK 31.45 at the time of transfer to participants in Incentive Programme 2020/2024, the Group may further be contributed with a total of up to approximately SEK 11.3 million in the form of cash payments for warrants acquired (assuming full subscription in the incentive programme). In case of exercise of warrants 2020/2024 for subscription of shares at the end of the term of the warrants, provided that the subscription price for each share is SEK 225.3, the company may further be contributed with issue proceeds amounting to a total of up to approximately SEK 81.1 million in 2024 (assuming that all 360,000 warrants 2020/2024 will be exercised for subscription of shares).

Dilution, if any, which Incentive Programme 2020/2024 may result in, will affect the company's earnings per share. For more information about dilutive effects, see the heading "Dilution" below.

## Participation of board members

No board members of the company will be offered to participate in Incentive Programme 2020/2024.

## Other outstanding warrants and share based incentive programmes

At the annual general meeting in the company held on 19 May 2017 it was resolved to adopt a warrant based incentive programme 2017/2021, intended for certain senior executives in the company. In total, 310,149 warrants 2017/2021 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive program. All of the issued warrants were subsequently transferred to the CEO, CFO and CMO of the company. Each warrant 2017/2021 entitles to subscription for one new share in the company during the period 15 May 2020–31 January 2021 at a subscription price of SEK 25.35 per share (corresponding to 130% of the introductory subscription price in the new share issue which was made in connection to the listing of the company's share on Nasdaq First North Growth Market in 2017). Assuming that all currently outstanding warrants 2017/2021 are exercised for subscription of new shares in the company, the company's share capital will increase by SEK 31,014.90 divided between 310,149 shares.

At the annual general meeting in the company held on 28 May 2019 it was resolved to adopt a warrant based incentive programme 2019/2022, intended for senior executives, senior key persons and specialists as well as other co-workers in the company and the Group. In total, 370,000 warrants 2019/2022 were issued, which were all subscribed for by the Subsidiary for subsequent transfer to participants in the incentive programme. In total, 84,403 warrants 2019/2022 were transferred to participants in the incentive programme during June and August 2019. The remaining 285,597 warrants 2019/2022 which were not transferred to participants in the incentive programme have

been cancelled. Each warrant 2019/2022 entitles to subscription of one new share in the company during the period 1 July–30 November 2022 at a subscription price of SEK 142.23 per share (corresponding to 130% of the volume weighted average price of the company's share on Nasdaq First North Growth Market during the period 12 May–12 June 2019). Assuming that all currently outstanding warrants 2019/2022 are exercised for subscription of new shares in the company, the company's share capital will increase by SEK 8,440.3 divided between 84,403 new shares.

The board of directors of the company has proposed that the annual general meeting 2020 resolves to adopt another warrant based incentive programme, incentive programme 2020/2023, intended for *current* members of management, senior key persons and specialists as well as other selected co-workers of the company and the Group, which have commenced their employment or consulting engagement on 20 May 2020, at the latest. The board of directors has proposed that 325,000 warrants 2020/2023 shall be issued to the Subsidiary for subsequent transfer to participants. Such transfers of warrants are scheduled to take place around 20 May 2020. Each warrant 2020/2023 entitles to subscription of one new share in the company during the period 1 June–30 September 2023 at a subscription price corresponding to 140% of the volume weighted average price for the company's share on Nasdaq First North Growth Market during the period 20 April–19 May 2023. Provided that the annual general meeting resolves in accordance with the board of directors' proposal to adopt incentive programme 2020/2023, and that all warrants 2020/2023 are transferred to Co-workers of the Group and are exercised for subscription of new shares in the company, the company's share capital will increase by SEK 32,500.00 divided between 325,000 new shares. For more information about the proposed incentive programme 2020/2023, see the separate resolution proposal under item 15 in the proposed agenda for the annual general meeting.

## **Dilution**

At the date of adoption of this resolution proposal, the total number of shares and votes in the company amounts to 22,736,591.

The dilutive effect of Incentive Programme 2020/2024 is estimated to amount to a maximum of approximately 1.56% of the total number of shares and votes in the company (based on the current number of shares and votes in the company, disregarding outstanding warrants, and assuming full exercise of all warrants 2020/2024).

The accumulated dilutive effect of all outstanding and proposed share related incentive programmes (incentive programmes 2017/2021, 2019/2022, 2020/2023 and 2020/2024) is estimated to amount to a maximum of approximately 4.53% of the total number of shares and votes in the company (calculated based on the current number of shares and votes in the company, and assuming full exercise of all outstanding warrants and all warrants that may come to be issued within the framework of the proposed incentive programmes 2020/2023 and 2020/2024).

## **Number of shares and votes**

As of the date of issuance of this notice, the total number of shares and votes in the company amounts to 22,736,591. The company does not hold any of its own shares.

## **Specific majority requirements**

As the resolutions under items 15A and 15B as well as 16A and 16A are governed by the provisions in Chapter 16 of the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*), valid resolutions in accordance with the proposals require that the proposals are supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the meeting. For valid resolutions in accordance with items 13 and 14 it is further required that the proposals are supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the meeting.

## **Information at the meeting**

The board of directors and the CEO are under a duty to, if any shareholder so requests and the board of directors deems that it can be made without material damage to the company, provide information at the meeting regarding circumstances which may affect the assessment of a matter on the agenda or of the company's economic situation. The duty to provide information also comprises the company's relation to the other group companies, the consolidated financial statements and such circumstances regarding subsidiaries which are set out in the foregoing sentence.

## **Documentation**

The annual report and the auditor's report, including the consolidated accounts and the consolidated auditor's report, will be kept available at the company's offices with address Sedana Medical AB (publ), Vendevägen 87, 182 32 Danderyd, Sweden, and at [www.sedanamedical.com](http://www.sedanamedical.com) no later than three weeks before the meeting. Complete proposals under items 13–16, as well as other documents to be kept available pursuant to the Swedish Companies

Act (Sw. *aktiebolagslagen (2005:551)*), as applicable, will be kept available accordingly no later than two weeks before the meeting. All said documentation, as well as this notice, will also be sent by post, free of charge, to shareholders who so requests and states their postal address. The documentation will also be presented at the meeting. The nomination committee's complete proposals under items 10–12 are included in this notice.

## Processing of personal data

For information on how your personal data is processed in connection with the annual meeting, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm in April 2020

Sedana Medical AB (publ)

The board of directors

## For additional information, please contact:

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Sedana Medical is listed on Nasdaq First North Growth Market in Stockholm.

The company's Certified Adviser is Erik Penser Bank, +46 8 463 83 00, [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se).

*The information was released for public disclosure, through the agency of the contact person above, on April 16, 2020 at 09:30 p.m. (CET).*

## About Sedana Medical

Sedana Medical AB (publ) has developed and sells the medical device AnaConDa, for the administration of volatile anaesthetics to mechanically ventilated patients. A major pivotal study is currently ongoing to obtain market approval in Europe for inhaled sedation in intensive care units with the pharmaceutical IsoConDa® (isoflurane). The company expects the registration of IsoConDa in Europe to take place during the second half of 2021. Three years thereafter Sedana Medical expects sales of SEK 500 million in Europe and an EBITDA margin of about 40 percent.

The market for Sedana Medical's sedation therapy of AnaConDa and IsoConDa consists primarily of sedation of mechanically ventilated intensive care patients. Today, these patients are sedated intravenously which leads to several challenges for both patients and care givers. Challenges that are solved by inhaled sedation. Based on an estimate of seven to eight million patients being sedated in intensive care due to mechanical ventilation globally, on average three to four days, Sedana Medical estimates the total market potential to SEK 20-30 billion, evenly distributed between the US, Europe and Asia. The company has initiated a process to obtain market approval in the US in 2024. Registration activities are also initiated in other markets outside the EU.

Sedana Medical has direct sales in the Nordic countries, Germany, Benelux, France, Great Britain and Spain as well as external distributors in parts of the rest of Europe, Australia, Canada, China, India, Israel, Japan, Mexico and South Korea. The company was founded in 2005 and is headquartered in Stockholm, Sweden, with medical device development in Ireland.