

## **PRESS RELEASE**

April 21, 2017

### **Notice of annual shareholders' meeting in Saniona AB (publ)**

The shareholders in Saniona AB, Reg. No. 556962-5345, are hereby invited to attend the annual shareholders' meeting (Sw. årsstämma) to be held at the premises of Setterwalls Advokatbyrå AB at Stortorget 23 in Malmö, Sweden on Tuesday 23 May 2017 at 4.00 p.m.

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

#### **Right to participate in the meeting and notice of participation**

Shareholders wishing to attend the annual shareholders' meeting must:

- be registered in the company's share register kept by Euroclear Sweden AB (the Swedish Securities Register Center) as of Wednesday 17 May 2017; and
- no later than on Wednesday 17 May 2017 notify the company in writing of their intention to participate in the annual shareholders' meeting to Saniona AB, Baltorpvej 154, DK-2750 Ballerup, Denmark. Such notice can also be given by email to [tf@saniona.com](mailto:tf@saniona.com). The notice shall specify the shareholder's complete name, personal or company registration number, registered shareholding, address, telephone number during work hours and, when applicable, information on the number of advisors (two at the most).

#### **Trustee registered shares**

Shareholders who have their holdings trustee-registered must temporarily register the shares in their own name in order to be entitled to participate in the annual shareholders' meeting. Such temporary re-registration of ownership must be implemented no later than as of Wednesday 17 May 2017, meaning that the shareholders must well in advance before this date request their trustees thereof.

#### **Proxies etc.**

A proxy representing a shareholder must bring a written, dated and by the shareholder signed power of attorney to the annual shareholders' meeting. The validity term of the power of attorney may be at the longest five years if this is specifically stated. In case no validity term is stated, the power of attorney is only valid for one year. Should the power of attorney be issued by a legal entity, a certified copy of a registration certificate (Sw. registreringsbevis) or equivalent document shall be presented at the meeting. In order to facilitate the preparations before the meeting, a copy of the power of attorney and other proof of authority should be attached to the notice of participation. A template power of attorney can be found at the company website ([www.saniona.com](http://www.saniona.com)), and will be sent to the shareholders who request it and state their address.



## Proposed agenda

0. Opening of the meeting.
1. Election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to verify the minutes.
5. Consideration as to whether the meeting has been duly convened.
6. Presentation of the annual report and the auditor's report and the group annual report and the group auditor's report.
7. Resolution on
  - (a) adoption of the profit and loss statement and balance sheet and the group profit and loss statement and the group balance sheet,
  - (b) allocation of the company's loss in accordance with the adopted balance sheet, and
  - (c) discharge of liability of the directors of the board and the managing director.
8. Determination of the number of members of the board, deputy members of the board as well as the number of auditors and deputy auditors.
9. Determination of remuneration for the board members and the auditors.
10. Election of members of the board and accounting firm or auditors.
11. Resolution on instruction and charter for the Nomination Committee.
12. Determination of Remuneration Policy for senior executives.
13. Resolution on authorization for the board of directors regarding new issues.
14. Resolution on (a) employee option program; and (b) directed issue of warrants and approval of transfer of warrants.
15. Closing of the meeting and authorization

## Resolution proposals

### *Item 1: Election of chairman of the meeting*

The Nomination Committee, consisting of Søren Skjærbæk, representing Jørgen Drejer, John Haurum, representing Thomas Feldthus, and the chairman of the board, Claus Braestrup, proposes that attorney Ola Grahn is elected as chairman of the meeting.

### *Item 7 (b): Resolution on allocation of the company's loss in accordance with the adopted balance sheet*

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

### *Item 8: Determination of the number of members of the board, deputy members of the board as well as the number of auditors and deputy auditors*



The Nomination Committee proposes that the board of directors shall be composed of four ordinary board members without deputies until the end of the next annual shareholders' meeting. Furthermore, it is proposed that one registered accounting firm is appointed as auditor until the end of the next annual shareholders' meeting.

*Item 9: Determination of remuneration for the board members and the auditors*

The Nomination Committee proposes that board remuneration shall be paid with SEK 110,000 to each of the members of the board who are not co-founders of Saniona AB (SEK 75,000 previous year). Based on the proposal to the board of directors in accordance with item 10 below, remuneration is only proposed to be paid to Carl Johan Sundberg. No remuneration is proposed for committee work.

Remuneration to the auditor is proposed to be paid in accordance with customary charging standards and approved invoice.

*Item 10: Election of members of the board and accounting firm or auditors*

The Nomination Committee proposes re-election of Claus Braestrup, Leif Andersson, Jørgen Drejer and Carl Johan Sundberg as ordinary board members and that Claus Braestrup is re-elected as chairman of the board.

The Nomination Committee proposes that Deloitte AB is re-elected as accounting firm. Deloitte AB has notified that the certified accountant Elna Lembrér Åström will continue to be the auditor in charge.

*Item 11: Resolution on instruction and charter for the Nomination Committee*

The Nomination Committee proposes that a Nomination Committee shall be appointed before coming elections and remuneration, and that an instruction and charter for the Nomination Committee shall be adopted in accordance with the following substantial terms.

The Nomination Committee shall be comprised of three members representing the two largest shareholders as of last September, together with the chairman of the board of directors. With "largest shareholders" are meant the shareholders registered with Euroclear Sweden AB as of last September. If any of these two largest shareholders refrain from appointing an owner representative, or if an owner representative resigns or relinquishes the position before the assignment is completed and the entitled shareholder does not appoint another representative, the chairman of the board of directors shall invite the next shareholder (i.e. first the third largest owner) to within a week of the request appoint an owner representative. The procedure shall continue until the Nomination Committee is composed of three members.

If a substantial change of ownership occurs no later than seven weeks before the annual shareholders' meeting, a new shareholder representative shall be appointed. The chairman of the board of directors shall then contact the one of the two largest shareholders without an owner representative and request such shareholder to appoint a representative. When such a representative has been appointed, such representative shall be a member of the Nomination Committee and replace the former member of the Nomination Committee who no longer represents one of the two largest shareholders.

*Item 12: Determination of Remuneration Policy for senior executives*



The board of directors proposes that a Remuneration Policy regarding determination of remuneration and other benefits for the managing director and other senior executives in the company shall be adopted in accordance with the following substantial terms.

1. *Fundamental principles:* Remuneration shall be payable on terms that enables senior executives to be recruited and retained. Remuneration to senior executives may consist of basic salary and other customary benefits which can be considered reasonable in relation to market practice.
2. *Fixed salary:* The managing director and other senior executives shall be offered a fixed salary based on the individual's work duties, expertise, position, responsibilities, performances and other considerations. Salary shall be determined per calendar year with salary revision on 1 January each year.
3. *Variable remuneration:* Saniona does not offer any variable remuneration to the managing director or other senior executives.
4. *Pensions:* Saniona does not offer any separate pension benefits to the managing director or other senior executives. Certain part of the senior executive's fixed salary is however allocated to pension payments. The proportion of such pension payments can be selected by the senior executive.
5. *Termination etc.:* Upon termination by the company, the notice period for the managing director and other senior executives shall not exceed six months. However, an adjusted notice period may be applied for the managing director and the CFO during an initial period of six months after a transaction with the outcome that a majority shareholding in Saniona or Saniona A/S has been acquired by one or more persons. The adjustment shall mean that the notice period, upon termination by Saniona, may be extended to twelve months immediately after the relevant change in ownership. The notice period shall thereafter be reduced by one month for every month that passes after the change in ownership until the notice period is consistent with the normal notice period of the employment agreements. Severance payment, apart from salary during the notice period, shall not occur.
6. *Deviations from the guidelines:* The board of directors shall be entitled to deviate from the guidelines in individual cases if there are special reasons for doing so.

*Item 13: Resolution on authorization for the board of directors regarding new issues*

The board of directors proposes that the annual shareholders' meeting resolves to authorize the board of directors to, at one or several occasions, during the time up until the next annual shareholders' meeting, with or without deviation from the shareholders' preferential rights, resolve to issue shares, convertibles and/or warrants. A new issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions. In case the authorization is used for a new issue with deviation from the shareholders' preferential rights, the number of shares, that may be issued or alternatively be issued through conversion of convertibles or by exercise of warrants, shall not exceed 30 per cent of the total number of existing shares in the company at the time of the annual shareholders' meeting and the subscription price shall be on market terms (subject to customary new issue discount, as applicable). The purpose of the authorization is to be able to source working capital, to be able to execute and finance acquisitions of companies as well as to enable new issues to industrial partners within the framework of partnerships and alliances.

*Item 14: Resolution on (a) employee option program; and (b) directed issue of warrants and approval of transfer of warrants*



The board of directors proposes that the annual shareholders' meeting resolves to adopt an employee option program for certain employees and key consultants who are active within the Saniona Group in Denmark.

The purpose of the proposed employee option program (the "Employee Option Program") is to secure a long term commitment for the employees and key consultants within the Saniona Group through a compensation system which is linked to the company's future value growth. Through the implementation of a share based incentive program, the future value growth in the company is encouraged, which implies common interests and goals for the shareholders of the company and key persons. Such share based incentive program is also expected to increase Saniona's possibilities to retain competent persons.

A. *The board of directors' proposal to resolution on employee option program 2017/2022*

The board of directors proposes that the annual shareholders' meeting resolves to adopt the Employee Option Program in accordance with the following substantial guidelines:

1. The Employee Option Program shall be comprised by a maximum of 38,750 employee options.
2. Each employee option entitles the holder a right to acquire one new share in the company against cash consideration at a subscription price amounting to 100 per cent of the average closing price of the company's share on Nasdaq First North Premier during ten trading days after the 2017 annual shareholders' meeting. The thus calculated subscription price shall be rounded to the nearest whole *öre*, whereupon 0.5 *öre* shall be rounded upwards. The subscription price and the number of shares that each employee option entitles right to may be subject to recalculation in the event of a bonus issue, split, rights issue etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied.
3. The Employee Option Program shall comprise fifteen employees and key consultants within the Saniona Group. The board of directors shall, within the framework of the resolution from the annual shareholders' meeting, determine the number of employee options that each participant shall be allotted in according with the following principles.

Senior employees and key consultants (8 individuals): at maximum 12,500 options per individual

Technical employees (7 individuals): at maximum 500 options per individual

Employees who are also members of the board of directors, managing director or larger shareholders in the company shall not be entitled to participate in the Employee Option Program.

4. Allotment shall take place no later than as of 15 July 2017.
5. The allotted employee options will be vested with 1/48 during 48 months after allotment. Vesting requires, with the exemptions stated below, that the participant is still operational within the Saniona Group as of the date when the respective vesting occurs. If the participant ceases to be operational within the Saniona Group after a vesting date has occurred, but before the last date of exercise, the already vested employee options may be exercised on the ordinary dates of exercise, but further vesting will not take place with the exemption of what is stated below.

For employees in Saniona A/S (the "Subsidiary") who are subject to the Danish law (*Dan. lov om brug af køberet eller tegningsret til anpartar m.v. i ansættelsesforhold (lov nr. 309 af 5. maj 2004)*) the following will apply regardless of what has been stated above:

- (i) If the Subsidiary terminates the employee's employment in the Subsidiary, without the employee having violated the employment relationship, the employee has the right to retain and exercise the allotted and unexercised employee options in accordance with the terms and conditions of the Employment Option Program (including that vesting



shall continue in accordance with the terms and conditions), regardless of the termination of the employment.

- (ii) If the employment is terminated by the employee due to the fact that the Subsidiary, in a substantial way, has violated the employment relationship, the employee has the right to retain and exercise the allotted and unexercised employee options in accordance with the terms and conditions of the Employment Option Program (including that vesting shall continue in accordance with the terms and conditions), regardless of the termination of the employment.
  - (iii) If the employment is terminated due to the fact that the employee (i) achieves the retirement age as defined from time to time within the Saniona Group; (ii) qualifies for Danish retirement pension (*Dan.* Folkepension) or (iii) suffers of invalidity, the employee has the right to retain and exercise the allotted and unexercised employee options in accordance with the terms and conditions of the Employment Option Program (including that vesting shall continue in accordance with the terms and conditions).
  - (iv) If the employment is terminated by the employee and the Subsidiary has not in a substantial way violated the employment relationship, all rights to the allotted unexercised employee options will expire on the date of the termination of the employment relationship, without notice and without any consideration, regardless if the employee options are vested or not.
  - (v) If the Subsidiary terminates or dismisses the employee due to the employee's violation of the employment relationship, all rights to the allotted unexercised employee options will expire on the date of the termination of the employment relationship, without notice and without any consideration, regardless if the employee options are vested or not.
6. The employee options shall not constitute securities and shall not be able to be transferred or pledged. However, in the event of death, the rights constituted by the employee options shall accrue to the beneficiaries of the holder of the employee options.
7. The employee options shall be allotted without consideration. The holders can exercise allotted and vested employee options during 30 days from the day following after the announcement of the company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the first quarter of 2021 and the last time after the announcement of the quarterly report for the third quarter of 2022. If the company does not render any quarterly report or year-end report after the end of any calendar quarter, the allotted and vested employee options may instead be exercised during the last month of the following calendar quarter, the first time in June 2021 and the last time in December 2022.
8. Participation in the Employee Option Program requires that such participation is in accordance with applicable laws, as well as that such participation can take place with reasonable administrative costs and financial efforts according to the company's opinion.
9. The employee options shall be governed by separate agreements with each respective participant. The board of directors shall be responsible for the preparation and management of the Employee Option Program within the above mentioned substantial terms and guidelines, and by taking into account such minor adjustments that may be required due to tax reasons in Denmark. In extraordinary cases, the board of directors is entitled to limit the extent of the Employee Option, or terminate the Employee Option program in advance, in whole or in part.
- B. The board of directors' proposal to resolution on a directed issue of warrants and approval of transfer of warrants*



In order to enable the company's delivery of shares under the Employee Option Program, the board of directors proposes that the annual shareholders' meeting resolves on a directed issue of a maximum of 38,750 warrants in accordance with the following terms and conditions:

1. The warrants shall be issued without consideration and the warrants may only, with deviation from the shareholders' preferential rights, be subscribed for by the Subsidiary. The reason for the deviation from the shareholders' preferential rights and the reason for that the warrants are issued without consideration are due to that the warrants are issued as part of the implementation of the Employee Option Program. In the light of the above, the board of directors considers that it is for the benefit of the company and its shareholders that key persons within the Saniona Group are offered to participate in the Employee Option Program.
2. Subscription shall be made no later than as of 31 July 2017. The board of directors shall be entitled to postpone the last day for subscription.
3. Each warrant entitles the holder a right to acquire one new share in the company against cash consideration at a subscription price amounting to 100 per cent of the average closing price of the company's share on Nasdaq First North Premier during ten trading days after the 2017 annual shareholders' meeting. The thus calculated subscription price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards. The subscription price and the number of shares that each warrant entitles right to may be subject to recalculation in the event of a bonus issue, split, rights issue etc.
4. The warrants may be exercised during the time period from and including the registration of the warrants at the Swedish Companies Registration Office (Sw. Bolagsverket) to and including 31 December 2022.
5. The shares issued upon exercise of a warrant shall confer right to dividends as from the first time on the record date for dividends that occurs immediately following effectuation of subscription.
6. If all warrants are exercised for subscription of new shares, the share capital will increase with SEK 1,937.50.

Further, the board of directors proposes that the annual shareholders' meeting shall resolve to approve that the Subsidiary may transfer warrants to the participants in the Employee Option Program without consideration in connection with the exercise of employee options in accordance with the terms and conditions under Section A above.

#### *Other information regarding the Employee Option Program*

The proposal of the Employee Option Program has been prepared by the board of directors. When preparing the proposal, the board of directors has considered that the Employee Option Program is intended for individuals who are active in Denmark. The terms and conditions of the Employee Option Program have therefore been prepared in order to comply with market practice in Denmark.

The board of directors has made the assessment that the Employee Option Program will trigger accounting salary costs. Based on the assumption that 100 per cent of the employee options in the Employee Option Program will be vested, the total reported salary cost for the employee options is calculated to amount to a total of approximately SEK 1,132,612 during the time period 2017-2022 (based on a value for each option of approximately SEK 29.23). The employee options do not have a market value since they are not transferable. However, the board of directors has calculated a theoretical value of the employee options using the "Black Scholes" formula. The value per employee option in accordance with this calculation amounts to approximately SEK 29.23 per employee option. Restrictions in the disposal rights have not been taken into



consideration in the valuation. It shall be noted that the calculations are based on preliminary assumptions and are only intended to provide an illustration of the outcome.

In case all warrants under the Employee Option Program 2017/2022 are exercised for subscription of shares, a total of 38,750 shares will be issued, which corresponds to a dilution of approximately 0.19 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full exercise of all warrants which have been issued under the Employee Option Program 2017/2022. The key figure earnings per share before taxes for the full year 2016 had thus been changed in such way that the loss per share after taxes had been decreased by SEK 0.0002 from – SEK 0.1064 to – SEK 0.1062.

Since previously, there is one employee option program 2015/2019 outstanding for employees and key consultants within the Saniona Group, which was resolved upon by the annual shareholders' meeting of 20 May 2015. In that employee option program there are a total of 64,000 employee options outstanding. Each employee option entitles the holder to subscribe for one new share in the company at a subscription price of SEK 20.72 per share. The employee options can be exercised during 30 days from the the announcement of the company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the first quarter of 2018 and the last time after the announcement of the quarterly report for the third quarter of 2019. In case all of these warrants are exercised for subscription, a total of 64,000 new shares will be issued and the company's share capital will increase with SEK 3,200, which corresponds to a dilution of approximately 0.31 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full exercise of the warrants which have been issued under the employee option program 2015/2019.

#### *Item 15: Closing of the meeting and authorization*

The board of directors proposes that the annual shareholders' meeting resolves to authorize the chairman of the board, or anyone appointed by him, to make the minor formal adjustments of the resolutions from the annual shareholders' meeting which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket).

#### *Particular majority requirements*

For a valid resolution on the proposal pursuant to item 13, the proposal has to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the annual shareholders' meeting. For a valid resolution on the proposal pursuant to item 14, the proposal has to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the annual shareholders' meeting.

#### *Duty of disclosure at the annual shareholders' meeting*

The shareholders' are reminded of their right to request information at the shareholders' meeting pursuant to chapter 7 section 32 of the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)).

#### *Accounting documents and complete proposals*

Accounting documents, the audit report and complete proposals for resolutions will be available for the shareholders at the company's office at Baltorpvej 154, DK-2750 Ballerup, Denmark and at the company





website ([www.saniona.com](http://www.saniona.com)) as from no later than 2 May 2017, and will be sent to the shareholders upon their request to the company, provided that such shareholders state their current address. Copies of the documents will also be available at the annual shareholders' meeting.

*Number of shares and votes in the company*

The total number of shares and votes in the company amounts to 20,841,467. The company does not hold any own shares.

---

Malmö in April 2017

Saniona AB (publ)

The Board of Directors

**For more information, please contact:**

Thomas Feldthus, EVP and CFO, Saniona, Mobile: +45 2210 9957, E-mail: [tf@saniona.com](mailto:tf@saniona.com)

This information is information that Saniona (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on April 21, 2017.

**About Saniona**

*Saniona is a research and development company focused on drugs for diseases of the central nervous system, autoimmune diseases, metabolic diseases and treatment of pain. The company has a significant portfolio of potential drug candidates at pre-clinical and clinical stage. The research is focused on ion channels, which makes up a unique protein class that enables and controls the passage of charged ions across cell membranes. Saniona has ongoing collaboration agreements with Boehringer Ingelheim GmbH, Upsher-Smith Laboratories, Inc., Productos Medix, S.A and Luc Therapeutics, Inc. Saniona is based in Copenhagen, Denmark, where it has a research center of high international standard. Saniona is listed at Nasdaq First North Premier and has about 4,500 shareholders. Pareto Securities is Certified Advisor for Saniona. The company's share is traded under the ticker SANION. Read more at [www.saniona.com](http://www.saniona.com).*