

## PRESS RELEASE

December 22, 2017

*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.*

### Notice of extraordinary shareholders' meeting in Saniona AB

**The shareholders in Saniona AB, Reg. No. 556962-5345, are hereby invited to attend the extraordinary shareholders' meeting (Sw. extra bolagsstämma) to be held at the premises of Setterwalls Advokatbyrå AB at Stortorget 23 in Malmö, Sweden on Friday 19 January 2018 at 10.00 am.**

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

Shareholders wishing to attend the shareholders' meeting must:

- be registered in the company's share register kept by Euroclear Sweden AB (the Swedish Securities Register Center) as of Saturday 13 January 2018; and
- no later than on Monday 15 January 2018 notify the company in writing of their intention to participate in the 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 shareholders' meeting. Such temporary re-registration of ownership must be implemented no later than as of Saturday 13 January 2018, meaning that the shareholders must well in advance of Friday 12 January 2018 request their trustees thereof since the record date is a Saturday.

#### Proxies etc.

A proxy representing a shareholder must bring a written, dated and by the shareholder signed power of attorney to the 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. Determination of the number of members of the board.
7. Determination of remuneration for the board members.
8. Election of members of the board and chairman of the board.
9. Resolution on (A) option program for the chairman of the board of directors; and (B) directed issue of warrants and approval of transfer of warrants.
10. Closing of the meeting.

### **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 6: Determination of the number of members of the board*

At the annual shareholders' meeting held on 23 May 2017, it was resolved that the board of directors shall be composed of four ordinary members without deputies.

The Nomination Committee now proposes that the board of directors shall be composed of six ordinary board members without deputies.

#### *Item 7: Determination of remuneration for the board members*

At the annual shareholders' meeting held on 23 May 2017, it was resolved 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. This means that board remuneration is currently only to be paid to Carl Johan Sundberg. The Nomination Committee further resolved that no separate remuneration should be paid for committee work.

In light of that the Nomination Committee under item 8 proposes that two new board members are elected, the Nomination Committee now proposes that board remuneration shall be paid with SEK 68,750 to J. Donald deBethizy in capacity as the chairman of the board of directors for the time period up until the next annual shareholders' meeting (corresponding to a yearly remuneration of SEK 275,000) and that board remuneration shall be paid with SEK 27,500 to Anna Ljung for the time period up until the next annual shareholders' meeting (corresponding to a yearly remuneration of SEK 110,000). In addition thereto, the Nomination Committee further proposes that a separate remuneration of SEK 7,500 shall be paid to Anna Ljung in capacity as chairman of the Audit Committee for the time period up until the next annual shareholders' meeting (corresponding to a yearly remuneration of SEK 30,000).

#### *Item 8: Election of members of the board and chairman of the board*

At the annual shareholders' meeting held on 23 May 2017, it was resolved that the board of directors should be composed of four ordinary board members without deputies. It was further resolved to re-elect Claus



Braestrup, Leif Andersson, Jørgen Drejer and Carl Johan Sundberg as ordinary board members and to re-elect Claus Braestrup as chairman of the board.

The Nomination Committee now proposes that J. Donald deBethizy and Anna Ljung are elected as new ordinary board members for the time period up until the next annual shareholders' meeting alongside the board members elected at the annual shareholders' meeting held on 23 May 2017. The Nomination Committee further proposes that J. Donald deBethizy is elected as new chairman of the board of directors. Claus Bræstrup is stepping down as chairman for personal reasons, but will continue supporting Saniona as an active board member.

J. Donald deBethizy, born 1950, has more than 30 years of experience in research and development and financial, business and operating management in the biotechnology and consumer products industry. He is currently President of White City Consulting ApS, and serves on the supervisory boards of Albumedix A/S, argenx N.V. (ARGX BR), Newron Pharmaceuticals SpA (NWRN.SWX), Noxxon Pharma NV (ALNOX.EN Paris) and Proterris, Inc. Previously, Dr. deBethizy served as President and CEO of Santaris Pharma A/S until October 2014, when the company was sold to Roche. From May 2013 to November 2014, he served as Executive Chairman of Contera Pharma ApS. He was also the Co-Founder and CEO of Targacept, Inc., a NASDAQ-listed U.S. biotechnology company from 1997-2012. He previously served on the boards of Asceneuron SA, Biosource Inc., Enbiotix Inc., LigoCyte Pharmaceuticals Inc., Rigontec GmbH, Serendex Pharmaceuticals A/S and Targacept Inc. Dr. deBethizy has held adjunct appointments at Wake Forest University Babcock School of Management, Wake Forest University School of Medicine and Duke University. He completed his post-doctoral work at the Chemical Industry Institute of Toxicology. He holds a Ph.D. and M.Sc. in Toxicology from Utah State University and a B.Sc. in Biology from the University of Maryland. J. Donald deBethizy is considered independent in relation to the company, its senior management and major shareholders. J. Donald deBethizy does not own shares in Saniona.

Anna Ljung, born 1980, currently serves as the CFO of Moberg Pharma AB where she prepared the company for its 2011 initial public offering onto the OMX Small Cap list. She has also participated in a number of asset acquisitions and divestments since 2012. Mrs. Ljung previously served as CFO of Athera Biotechnologies AB and Lipopeptide AB and has worked as an independent consultant in the field of technology licensing. Mrs. Ljung holds a M.Sc. in Economics and Business Administration, with a major in Finance from the Stockholm School of Economics. Anna Ljung is considered independent in relation to the company, its senior management and major shareholders. Anna Ljung does not own shares in Saniona. Provided that Anna Ljung is elected as board member, the Board of Directors intends to appoint Anna Ljung as Chairman of the Audit Committee.

*Item 9: Resolution on (A) option program for the chairman of the board of directors; and (B) directed issue of warrants and approval of transfer of warrants*

The Nomination Committee proposes that the extraordinary shareholders' meeting resolves to adopt an option program for the proposed chairman of the Board of Directors, J. Donald deBethizy.

The Nomination Committee considers that a share based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate an internationally experienced chairman in the company and to incentivize the chairman to perform his utmost on delivering maximal value growth for all shareholders. The Nomination Committee hence considers that the proposed incentive program



(the “Option Program”) will increase and strengthen the chairman’s dedication to the company’s business, improve the loyalty towards the company and be beneficial for the company as well as its shareholders. The details of the Option Program are set out under Section A below.

In order to secure the company’s undertakings under the Option Program, the Nomination Committee also proposes that the extraordinary shareholders’ meeting resolves on a directed issue of warrants and an approval of transfer of warrants in accordance with Section B below.

A. *The Nomination Committee’s proposal to resolution on implementation of an option program for the chairman of the board of directors*

The Nomination Committee proposes that the extraordinary shareholders’ meeting resolves to adopt the Option Program in accordance with the following substantial guidelines:

1. The Option Program shall be comprised by a maximum of 217,625 options.
2. Each 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 Stockholm during ten trading days prior to the extraordinary shareholders’ meeting on 19 January 2018. 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 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 Option Program shall only comprise the proposed chairman of the Board of Directors J. Donald deBethizy that should be entitled to be allotted all options in the Option Program.
4. Allotment shall take place no later than 30 March 2018.
5. The allotted options will be vested as follows:
  - (i) 25 per cent will vest on the date when J. Donald deBethizy is elected as chairman of the Board of Directors;
  - (ii) additionally 25 per cent will vest on the date that falls 12 months following the date when J. Donald deBethizy was elected as chairman of the Board of Directors;
  - (iii) additionally 25 per cent will vest on the date that falls 24 months following the date when J. Donald deBethizy was elected as chairman of the Board of Directors; and
  - (iv) the remaining 25 per cent will vest on the date that falls 36 months following the date when J. Donald deBethizy was elected as chairman of the Board of Directors.

Vesting is conditional upon that J. Donald deBethizy still holds the position as chairman of the Board of Directors in each date when vesting occurs.

6. The options shall not constitute securities and shall not be possible to transfer or pledge. However, in the event of death, the rights to vested options shall accrue to the beneficiaries of the holder of the options.
7. The options shall be allotted without consideration. The holder can exercise allotted and vested 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 first quarter of 2024. If the company does not render any quarterly report or year-end report after the end of any calendar quarter, the allotted and vested 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 June 2024.



8. In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting the company, the options will vest in their entirety and be exercisable in connection with the relevant transaction.
  9. The options shall be governed by a separate agreement with the participant. The company's Remuneration Committee (excluding J. Donald deBethizy) shall be responsible for the preparation and management of the Option Program within the above mentioned substantial terms and guidelines.
- B. The Nomination Committee's proposal for 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 Option Program, the Nomination Committee proposes that the extraordinary shareholders' meeting resolves on a directed issue of warrants and approval of transfer of warrants. The Nomination Committee thus proposes that the extraordinary shareholders' meeting resolves on a directed issue of a maximum of 286,003 warrants in accordance with the following terms and conditions:

1. With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by a wholly owned subsidiary in the group (the "Subsidiary"). The reason for the deviation from the shareholders' preferential rights is that the warrants are issued as part of the implementation of the Option Program. In the light of what has been stated under the Section Background above, the Nomination Committee considers that it is for the benefit of the company and its shareholders that the proposed chairman of the Board of Directors is offered to participate in the Option Program.
2. Subscription shall be made no later than 30 March 2018. The board of directors shall be entitled to postpone the last day for subscription.
3. The warrants shall be issued without consideration. The reason hereof is due to that the warrants shall be issued as part of the implementation of the Option Program.
4. 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 Stockholm during ten trading days prior to the extraordinary shareholders' meeting on 19 January 2018. The 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 shall be subject to recalculation in the event of a bonus issue, split, rights issue etc.
5. 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 30 June 2024.
6. 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.
7. If all warrants are exercised for subscription of new shares, the share capital will increase with SEK 14,300.15.
8. The chairman of the Remuneration Committee shall be entitled to make such minor adjustments of the issue resolution that might be necessary in connection with registration with the Swedish Companies Registration Office.



Further, the Nomination Committee proposes that the extraordinary shareholders' meeting resolves to approve that the Subsidiary may transfer warrants to the participant in the Option Program without consideration in connection with the exercise of options in accordance with the terms and conditions under Section A above or otherwise dispose over the warrants to secure the company's commitments and costs in relation to the Option Program.

*Other information regarding the Option Program*

The proposal for the Option Program has been prepared by the Nomination Committee.

The Option Program will be accounted for in accordance with "IFRS 2 – Share based payments". IFRS 2 stipulates that the options shall be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will be expensed in the income statement according to UFR 7 during the vesting period.

Assuming a share price at the time of allocation of options of SEK 28.70 and that 100 per cent of the options are vested, the total cost for the Option Program according to IFRS 2 is estimated to approximately SEK 3.2 million before tax during the period 2018-2021 using the Black-Scholes formula. The total cost for the Option Program during the term of the program, including costs according to IFRS 2 and social security costs, is estimated to approximately SEK 4.2 million. The company's costs for social charges are proposed to be hedged through a directed issue of warrants as per B above.

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 that are issued in relation to the Option Program are exercised for subscription of shares, a total of 286,003 shares will be issued, which corresponds to a dilution of approximately 1.30 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 in relation to the Option Program. The key figure earnings per share after taxes for the full year 2016 had then been changed in such way that the earnings per share after taxes had been decreased by SEK 0.001 from SEK 0.106 to SEK 0.105.

Since previously, there are two employee option programs, 2015/2019 and 2017/2022, outstanding for employees and key consultants within the Saniona Group.

In the employee option program 2015/2019 that was resolved at the annual shareholders' meeting in 2015, 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 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 in relation to the employee option program 2015/2019.



In the employee option program 2017/2022 that was resolved at the annual shareholders' meeting in 2017, there are a total of 38,500 employee options outstanding. Each employee option entitles the holder to subscribe for one new share in the company at a subscription price of SEK 41.13 per share. The employee options can be exercised during 30 days from 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. In case all of these warrants are exercised for subscription, a total of 38,500 new shares will be issued and the company's share capital will increase with SEK 1,925, which corresponds to a dilution of approximately 0.20 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 in relation to the employee option program 2017/2022.

In case all warrants that have been issued in relation to the existing and the proposed incentive programs are exercised for subscription, a total of 388,503 new shares will be issued, which corresponds to a total dilution of approximately 1.75 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 the warrants that have been issued in relation to the existing and the proposed incentive programs.

#### **Particular majority requirements**

For a valid resolution on the proposal pursuant to item 9, 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 shareholders' meeting.

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

The shareholders' are reminded of their right to request information at the shareholders' meeting pursuant to chapter 7 section 32 paragraph 1 of the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)).

#### **Available documents**

The complete proposal for resolution pursuant to item 9 and documents pursuant to chapter 14 section 8 of the Swedish Companies Act 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)) no later than three weeks before the shareholders' meeting, 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 shareholders' meeting.

#### **Number of shares and votes in the company**

The total number of shares and votes in the company amounts to 21,762,520. The company does not hold any own shares.

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Malmö in December 2017

Saniona AB (publ)

The Board of Directors



**For more information, please contact**

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This information was submitted for publication, through the agency of the contact person set out above, at 08:15 CET on December 22, 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, Proximagen Ltd., Productos Medix, S.A de S.V and Cadent Therapeutics. Saniona is based in Copenhagen, Denmark, where it has a research center of high international standard. Saniona is listed at Nasdaq Stockholm Small Cap and has about 5,300 shareholders. The company's share is traded under the ticker SANION. Read more at [www.saniona.com](http://www.saniona.com).*