



## Notice of Annual General Meeting in Moberg Pharma AB (publ)

Shareholders in Moberg Pharma AB (publ) (reg. no. 556697-7426) (the “**Company**”) are hereby convened to the Annual General Meeting on Wednesday, 30 October 2019, at 4:00 p.m. (CET) in the Company’s premises in Bromma, address Gustavslundsvägen 42, 5 tr, 167 51 Bromma (Alviks torg), Sweden.

### Attendance at the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must:

- be recorded in the share register maintained by Euroclear Sweden AB (“**Euroclear**”) on Thursday, 24 October 2019, and
- give notice of attendance to the Company under address: Moberg Pharma AB (publ), Gustavslundsvägen 42, 5 tr, 167 51 Bromma, Sweden, att. Malin Nilsson or by e-mail to [malin.nilsson@mobergpharma.se](mailto:malin.nilsson@mobergpharma.se), at the latest on Thursday, 24 October 2019, preferably before 4:00 p.m. (CET).

When giving notice of attendance, shareholders must state their name, civil registration number or corporate registration number, address, telephone number and, where applicable, number of accompanying assistants (no more than two). Shareholders can participate and vote at the Annual General Meeting personally or by proxy. In order to be entitled to participate in the Annual General Meeting, those having their shares registered in the name of a nominee must, in addition to give notice of attendance, have their shares registered in their own name so that they are registered as shareholders in the share register kept by Euroclear on Thursday 24 October 2019. Such registration may be temporary. Please note that this procedure may also apply with respect to shares held on a bank’s shareholder deposit account and certain investment savings accounts.

Shareholders represented by proxy should submit a power of attorney in original, along with other authorisation documents, when giving notice of attendance to the Annual General Meeting. A power of attorney may be valid for up to five years from issuance. The Company provides forms of power of attorney on the Company’s website [www.mobergpharma.se](http://www.mobergpharma.se). Representatives of legal persons must present a copy of the legal person’s certificate of registration or other equivalent document demonstrating the right to act on behalf of the legal person.

### Number of shares and votes

As per the date of this notice, there are a total of 18,853,510 shares in the Company, corresponding to in total 18,853,510 votes, of which 18,192,667 are ordinary shares and 660,843 are series B shares. Each ordinary share and series B share entitles the holder to one vote at the general meeting. No series C shares have been issued. At the time of issuing this notice, the Company holds 184,746 ordinary shares that do not qualify for voting rights at the general meeting.

### Proposed Agenda

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to verify the minutes
5. Determination whether the Meeting has been duly convened
6. Approval of the agenda



7. Presentation of the annual report and the audit report as well as the consolidated accounts and the consolidated audit report
8. Speech by the Chief Executive Officer
9. Resolutions on:
  - a) Adoption of the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet
  - b) Allocation of the Company's result according to the adopted balance sheet
  - c) Discharge from liability of the Board members and the Chief Executive Officer
10. Determination of the number of Board members and deputy members
11. Determination of fees to the Board of Directors and Auditor
12. Election of the Board of Directors, Chairman of the Board of Directors and Auditor
13. Proposal for resolution on principles for establishing the Nomination Committee and its work
14. Proposal for resolution on principles for remuneration of senior executives
15. Proposal for resolution on conversion of the Company's financial year and thereto related amendments of the articles of association
16. Proposal for resolution on payment of a waiver fee to the purchaser of the Company's OTC-business
17. Proposal for resolution regarding automatic share redemption procedure including:
  - a) share split;
  - b) reduction of the share capital through redemption of ordinary shares; and
  - c) increase of the share capital through bonus issue
18. Proposal for resolution on authorisation to the Board of Directors to issue shares
19. Closing of the Meeting

## **PROPOSALS FOR RESOLUTION**

### **Election of Chairman of the Meeting (item 2)**

The Nomination Committee consisting of the Chairman Gillis Cullin representing Östersjöstiftelsen and the members Fredrik Persson representing Zimbrine Holding BV, Erik Lindbärg och Peter Wolpert, Chairman of the Board of Directors in the Company, proposes to elect Peter Wolpert as Chairman of the Annual General Meeting.

### **Resolution on allocation of the Company's result according to the adopted balance sheet (item 9 b)**

The Board of Directors proposes that no dividend should be paid for the abbreviated financial year 1 January – 30 June 2019.

### **Determination of the number of Board members and deputy members (item 10)**

The Nomination Committee proposes that the Board of Directors shall consist of four (4) persons and no deputies.

### **Election of the Board of Directors and Chairman of the Board of Directors and determination of fees to the Board of Directors and Auditors (items 11 and 12)**

The Nomination Committee proposes no changes to the Board of Directors with re-election of executive Chairman Peter Wolpert and Board members Mattias Klintemar, Andrew B. Hochman and Fredrik Granström for a period until the end of the next Annual General Meeting.

The Nomination Committee proposes that an aggregate annual fee of SEK 870,000 shall be paid to the Board members, of which SEK 360,000 to the Chairman of the Board of Directors and SEK 170,000 to



each of the other Board members elected by the Annual General Meeting. In order to compensate for the additional work that Peter Wolpert will perform in the Company in the capacity of executive Chairman of the Board, the Nomination Committee also proposes a fee of SEK 61,000 per month to Peter Wolpert (a total of SEK 732,000 annually, and together with ordinary fees for the Chairman of the Board of Directors SEK 1,092,000).

The Nomination Committee proposes, in accordance with the Board of Directors' recommendation, re-election of Ernst & Young Aktiebolag as Company Auditors, with Andreas Troberg as responsible Auditor for a period until the end of the next Annual General Meeting.

The Nomination Committee proposes that fees to the Auditors, for a period until the end of the Annual General Meeting, are to be paid as per approved invoice.

**Proposal for resolution on principles for establishing the Nomination Committee and its work (item 13)**

The Nomination Committee proposes that the Annual General Meeting assigns a Nomination Committee according to the following principles. The Annual General Meeting assigns the Chairman of the Board of Directors to contact the three largest shareholders in terms of votes or owner groups (hereby referred to both directly-registered shareholders and nominee-registered shareholders), according to a transcript of the share register maintained by Euroclear as per 30 September 2020 each appointing a representative to, besides the Chairman of the Board of Directors, constitute the Nomination Committee for the period until a new Nomination Committee is appointed by mandate from the next Annual General Meeting.

If any of the three largest shareholders or owner groups declines to elect a representative, the fourth largest shareholder or owner group will be asked, and so on, until the Nomination Committee consists of four members. The majority of the members of the Nomination Committee are to be independent of the Company and its executive management. At least one member of the Nomination Committee is to be independent of the Company's largest shareholder in terms of votes, or any group of shareholders that act in concert in the governance of the Company. Neither the Chief Executive Officer nor other members of the executive management are to be members of the Nomination Committee. Board members may be members of the Nomination Committee but may not constitute a majority thereof. If more than one member of the Board of Directors is on the Nomination Committee, no more than one of these may be dependent of a major shareholder in the Company. The Nomination Committee appoints Chairman within the Committee. Neither the Chairman of the Board of Directors nor any other member of the Board of Directors may be Chairman of the Nomination Committee. The names of the members of the Nomination Committee shall be announced no later than six months prior to the next Annual General Meeting. In the event that one of the members of the Nomination Committee resigns before the Committee's work is completed and if the Nomination Committee is of the opinion that there is a need to replace the member, the Nomination Committee shall appoint a new member according to the principles above, but based on a transcript of the share register maintained by Euroclear, as soon as possible after the member has resigned. A change in the composition of the Nomination Committee shall be announced immediately. No fees shall be paid to the members of the Nomination Committee for their work in the Nomination Committee.

The Nomination Committee shall submit proposals on the following issues for resolution by the next Annual General Meeting:

- a) Proposal for Chairman of the Meeting



- b) Proposal for the Board of Directors
- c) Proposal for Chairman of the Board of Directors
- d) Proposal for fees to the Board of Directors, with distribution between the Chairman and other member of the Board of Directors
- e) Proposal for the Company's Auditors
- f) Proposal for fee to the Company's Auditors
- g) Proposal for principles for establishing the Nomination Committee for the following Annual General Meeting.

**Resolution on principles for remuneration of senior executives (item 14)**

The Board of Directors' proposal for resolution on principles for remuneration of senior executives is consistent with previous years' principles for remuneration with some minor adjustments and is mainly based on existing contracts between the Company and senior executives.

The Board of Directors proposes that the Annual General Meeting resolves to adopt principles for remuneration of senior executives on the following terms:

The Company is to offer a market-aligned total remuneration package that facilitates the recruitment and retention of qualified senior executives. The remuneration paid to the Chief Executive Officer and other senior executives is to comprise basic salary, variable remuneration, other benefits and pension benefits. The total remuneration is to be based on the basic salary and is to be proportionate to the executive's responsibilities and authority. Variable remuneration is generally capped at 25–50 per cent of each executive's basic annual salary, however the variable remuneration for the period of 2019-2020 can amount to a maximum of 15 monthly salaries in total for the two years. The variable remuneration is based on the Company's results in relation to targets set by the Board of Directors. The pensionable salary comprises only the basic salary. To the extent that members of the Board of Directors perform work for the Company or any other group company, in addition to work on the Board of Directors, a market-aligned fee may be payable.

In case of termination, the notice period is at least three months if this is on the initiative of the senior executive and between three and 12 months if the Company takes the initiative. Severance amounts may apply, however total remuneration during termination including severance amounts will never be more than 12 months' salary, other than what has been stated above regarding variable remuneration for 2019-2020. Any share and share-price-related programs must be adopted by a Shareholders' Meeting. Allocation from such programs must comply with a resolution from a Shareholders' Meeting. With the exception of share-based remuneration that has been allocated and vested, and what is provided for under employment contracts as referred to above, senior executives are not entitled to any post-employment / assignment benefits. Furthermore, the Board of Directors shall have the option of allocating further variable non-recurring remuneration to the management when the board deems it to be appropriate. The Board of Directors is to be entitled to ignore the aforementioned principles for remuneration of senior executives if there are special reasons for so doing.



**Resolution on conversion of the Company's financial year and thereto related amendments of the articles of association (item 15)**

The Board of Directors proposes that the Annual General Meeting resolves to convert the Company's financial year from broken financial year, 1 July – 30 June, to calendar year. In connection therewith, the Board of Directors proposes that the current financial year 2019/20 is extended to cover a period of 18 months. If the Annual General Meeting resolves in accordance with the Board of Director's proposal, the last day of the current financial year will be 31 December 2020.

In view of the above, the Board of Directors also proposes that the Annual General Meeting resolves to amend the current § 13 of the articles of association, whereby it will receive the following wording:

*"§13. Financial year*

*The financial year of the company shall be 1/1–31/12."*

A valid resolution in accordance with this proposal requires that shareholders representing not less than two-thirds of the votes cast as well as of the shares represented at the meeting approve the resolution.

**Resolution on payment of a waiver fee to the purchaser of the Company's OTC-business (item 16)**

Pursuant to the transaction documents entered into in connection with the divestment of the Company's OTC-business this spring, the amount that may be distributed as part of the so-called OTC-dividend is limited to the net proceeds of the purchase price after repayment of the Company's previous bond loan. The Board of Directors' proposal for a resolution on an automatic share redemption procedure in accordance with item 17 of the agenda entails that each holder of ordinary shares will in fact receive SEK 1.47 more per ordinary redemption share, than what actually fits within the net proceeds of the purchase price. The purchaser has accepted a distribution of such larger amount against receipt of a so-called waiver fee in an amount of SEK 971,439. In connection with the payment of the proposed waiver fee, the Company also intends to make a prepayment in full of the loan in the amount of USD 2.5 million that the Company incurred from the purchaser in connection with the divestment of the Company's OTC-business.

In view of the above, and in order to enable the payment of the OTC-dividend in accordance with the Board of Directors' proposal pursuant to item 17 of the agenda, the Board of Directors proposes that the Annual General Meeting resolves to approve the payment by the Company of a waiver fee in an amount of SEK 971,439 to the purchaser of the Company's OTC-business.

**Resolution regarding automatic share redemption procedure including: a) share split; b) reduction of the share capital through redemption of ordinary shares; and c) increase of the share capital through bonus issue (item 17)**

The Board of Directors' proposals pursuant items a) – c) are conditional upon each other and are to be resolved upon as one resolution. The Board of Directors' proposals pursuant to items (a) - (c) below are also conditional upon that the Annual General Meeting resolves in accordance with the Board of Directors' proposal for a resolution on payment of a waiver fee to the purchaser of the Company's OTC-business pursuant to item 16 of the agenda. However, if the proposal set out in item 16 is not approved by the Annual General Meeting, the Board of Directors' proposal pursuant to items a) - c) shall remain, but the proposal is to be adjusted so that an amount of SEK 45.03 shall be paid for each redeemed ordinary share instead. The resolution is valid only where supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the general meeting.



### **Background**

In March 2019, the Company divested its OTC-business against a cash consideration of USD 155 million, adjusted for working capital. The transaction allows Moberg Pharma to distribute substantial proceeds to its shareholders. Payment of the so-called OTC-dividend requires that the Company has adopted the annual report for the previous financial year in order for Moberg Pharma to be able to demonstrate sufficient distributable profits. In order to be able to distribute the OTC-dividend in 2019, the Extraordinary General Meeting resolved, in March 2019, to abbreviate the previous financial year to the period 1 January – 30 June 2019.

In view of the above, the Board of Directors proposes that the Annual General Meeting, in order to make the OTC-dividend, resolves on an automatic redemption procedure in accordance with items a) – c) below. A special information brochure on the proposed automatic redemption procedure in accordance with this item 17 will be provided before the Annual General Meeting.

#### **a) Share split**

The Board of Directors proposes that the Annual General Meeting resolves on a split of the shares in the Company, a so-called share split (2:1). The proposal means that each existing share in the Company, ordinary shares as well as series B shares, is divided into two shares, of which one of the split ordinary shares is referred to as an ordinary redemption share and one of the split series B shares is referred to as a redemption share of series B in the Euroclear system. The ordinary redemption shares shall be redeemed in accordance with item b) below and the redemption shares of series B shall be redeemed in accordance with the Board of Directors' resolution to reduce the share capital through redemption of series B shares, pursuant to the redemption clause in the articles of association. The record date for the share split is proposed to be 5 November 2019. Following completion of the share split, the number of shares in the Company will increase from 18,853,510 to 37,707,020 and the quota value of each share will change from SEK 0.10 to SEK 0.05.

#### **b) Reduction of the share capital by redemption of ordinary shares**

The Board of Directors proposes that the Annual General Meeting resolves that the Company's share capital is reduced by SEK 909,633.35 through redemption of 18,192,667 ordinary shares. The shares that are to be redeemed are those ordinary shares that, following the share split pursuant to item a) above, are named ordinary redemption shares. The record date for the redemption of ordinary redemption shares is proposed to be 21 November 2019. The Company intends to promote arrangements for customary trade in the ordinary redemption shares from and including 6 November 2019 up to and including 19 November 2019.

The purpose of the reduction of the share capital is repayment to the Company's shareholders and, to the extent that the reduction of the share capital is made by redemption of ordinary shares held by the Company, for transfer to the Company's non-restricted equity.

For each redeemed ordinary share, a redemption price of SEK 46.50 (the redemption amount) will be paid, of which SEK 46.45 exceeds the quota value of the share after completion of the share split pursuant to item a) above. However, no payment shall be made in respect of redeemed ordinary redemption shares held by the Company. Payment of the redemption amount is estimated to be made through the agency of Euroclear on 26 November 2019. If the Company, at the time of redemption is still holder of the number of ordinary shares currently held by the Company, *i.e.* 184,746 ordinary shares, in total SEK 837,368,326.50 will be repaid to the holders of ordinary shares in the Company





(corresponding to a share capital decrease of SEK 900,396.05) and SEK 9,237.30 will be transferred to the Company's non-restricted equity.

Simultaneously with the reduction of the share capital in accordance with this item b), a reduction of the share capital by an additional SEK 33,042.15 will be made through redemption of 660,843 series B shares, in accordance with the Board of Directors' resolution pursuant to the redemption clause in the articles of association. The shares that thereby are to be redeemed are those series B shares that, following the share split pursuant to item a) above, are named redemption series B shares. Pursuant to the redemption clause in the articles of association, the redemption shares of series B are redeemed at an amount of SEK 0.05 per share, equalling the quota value. Following a reduction according to both this item b) and the Board of Directors' above-mentioned resolution, the share capital of the Company will amount to SEK 942,675.50, divided into a total of 18,853,510 shares.

The reduction can be effected without obtaining the authorisation of the Swedish Companies Registration Office or a court of general jurisdiction, as the Company at the same time carries out a bonus issue pursuant to item c) below, resulting in no reduction of the restricted equity of the Company or its share capital.

**c) Increase of the share capital through bonus issue**

The Board of Directors proposes that the Annual General Meeting resolves to increase the share capital of the Company by SEK 942,675.50 by way of a bonus issue in order to restore the share capital to its original level after completed reduction of the share capital according to both item b) above and the resolution by Board of Directors. The amount by which the share capital is to be increased shall be transferred from the non-restricted equity of the Company and no new shares are to be issued in connection with the increase of the share capital. Following the completion of the bonus issue, the share capital of the Company will amount to SEK 1,885,351 and the quota value of each share will be changed from SEK 0.05 to SEK 0.10.

**Authorisation**

The Board of Directors further proposes that the Annual General Meeting authorises the Chief Executive Officer, or whom the Chief Executive Officer may appoint, to make any minor amendments and clarifications of the Annual General Meeting's resolutions that are required in connection with the filing with the Companies Registration Office and Euroclear.

**Miscellaneous**

The Board of Directors' motivated statement regarding the Board of Directors' proposal to reduce the share capital as well as the Auditor's statement, pursuant to Chapter 20, Section 8 of the Companies Act (2005:551) has been prepared and will be available in the same way as other documents. This also applies to the Board of Directors' statement pursuant to Chapter 20, Section 13 of the Companies Act and the Auditor's statement pursuant to Chapter 20, Section 14 of the Companies Act. An information brochure that describes the redemption procedure will be available before the Annual General Meeting.

**Resolution regarding authorisation for the Board of Directors to issue shares (item 18)**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to, within the scope of the articles of association, with or without deviation from the shareholders' pre-emptive rights, on one or several occasions during the period until the next Annual General Meeting, resolve to increase the Company's share capital by issuing new shares in the Company. The total number of shares issued in accordance with this authorisation may be equivalent to a maximum of



twenty (20) per cent of the shares in the Company at the time of the Annual General Meeting for the abbreviated financial year of 2019. The issues shall be made with issue rates at market rate, and where applicable be subject to issue discount at market rate, and payment may, apart from payment in cash, be made in kind or by set-off or otherwise with conditions. The purpose of the authorisation and the reasons for any deviation from the shareholders' preferential right is that the Company shall be able to carry out issues in order to finance the Company's business, commercialization and development of the Company's products and / or the acquisition of products, project portfolios, businesses, companies or parts of companies.

The Board of Directors, Chief Executive Officer or any person appointed by the Board of Directors, is authorised to make any minor amendments and clarifications of the Annual General Meeting's resolutions that are required in connection with the filing with the Companies Registration Office and Euroclear.

A resolution in accordance with this proposal requires the support of shareholders representing at least two thirds of the votes cast and the shares represented at the meeting.

#### **Information at the Annual General Meeting**

Shareholders may request that the Board of Directors and the Chief Executive Officer provide information regarding circumstances that may affect the assessment of an item on the agenda for the Annual General Meeting, and circumstances that can affect the assessment of the Company's financial position. The Board of Directors and the Chief Executive Officer shall provide such information at the Annual General Meeting if it can be done without material harm to the Company. Shareholders wishing to submit questions in advance may send them to Moberg Pharma AB (publ), att. Malin Nilsson, Gustavslundsvägen 42, 5 tr, 167 51 Bromma, Sweden, or by e-mail to [malin.nilsson@mobergpharma.se](mailto:malin.nilsson@mobergpharma.se).

#### **Documents**

Copies of accounting documents and the audit report are available, and forms for power of attorney will be available no later than Wednesday, 9 October 2019, for shareholders at the Company and on the Company's website [www.mobergpharma.se](http://www.mobergpharma.se). Complete proposals, including the Board of Directors' complete proposal for principles for remuneration to senior executives and the Auditor's statement on the principles for remuneration to senior executives that have applied since the previous Annual General Meeting as well as other documents according to the Companies Act and the Swedish Code of Corporate Governance will be available for shareholders at the Company and on the Company's website as above, no later than three weeks before the Annual General Meeting. All of these documents will also, without charge, be sent to shareholders who so request and state their address. The documents will also be available at the Annual General Meeting.

#### **Processing of personal data**

For information on how personal data is processed in connection with the Annual General Meeting, see the integrity policy that is available at Euroclear's webpage, <https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.

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Stockholm in September 2019

**Moberg Pharma AB (publ)**

*The Board of Directors*

The information was submitted for publication at 6:00 p.m. (CET) on 30 September, 2019.