



Notice of Annual General Meeting of Cantargia AB (publ)

The shareholders of Cantargia AB (publ) are invited to attend the Annual General Meeting of the company on Thursday 31 May 2018, at 4 p.m. at Medicon Village, Scheelevägen 2 in Lund, Sweden.

Right participate and registration

Shareholders who wish to attend the AGM must

- be registered in the share register maintained by Euroclear Sweden AB with regard to the situation on Friday 25 May 2018,
- register for the AGM by notifying the company no later than Friday 25 May 2018. Registration can be made by mail to Cantargia AB (publ), Medicon Village, Scheelevägen 2, SE-223 81 Lund. Shareholders can also register by phone on +46 (0)46-27 56 260 or by e-mail at info@cantargia.com. The registration must include the following details: the shareholder's name, personal or corporate ID number, shareholding, address, daytime telephone number and, where applicable, the number of any assistants (up to two) which the shareholder intends to bring to the AGM.

Nominee-registered shares

Shareholders whose shares are held in the name of a nominee, through a bank or other custodian must, to be entitled to participate in the AGM, arrange to have their shares registered in their own name. Such re-registration, which may be temporary, must be completed by Friday 25 May 2018, which means that shareholders who wish to re-register their shares will need to notify their nominee/custodian well in advance of this date.

Proxies, etc.

Shareholders who are represented by a proxy must grant power of attorney to the proxy. If the power of attorney is issued by a legal entity, a certificate of registration or equivalent document indicating who is authorised to sign on behalf of the company must be enclosed. The original copy of the power of attorney along with any certificate of registration or equivalent document must be sent to the company at the above address well in advance of the AGM. A proxy form is available on the company's website, www.cantargia.com, and will be sent by post to shareholders who contact the company and provide their address.

Number of shares and voting rights

The number of outstanding shares and voting rights in the company at the time of this notice is 66,185,811. The company has no treasury shares.

Proposed agenda:

1. Opening of the AGM
2. Election of a chairman for the AGM
3. Preparation and approval of the electoral roll
4. Approval of the agenda
5. Election of one or two persons to confirm the accuracy of the minutes
6. Determination of whether the AGM has been duly convened
7. Presentation by the Chief Executive Officer
8. Presentation of the annual report and auditor's report
9. Resolutions
 - a) on the adoption of the income statement and balance sheet
 - b) on the appropriation of the company's profit or loss as per the approved balance sheet
 - c) on discharge from liability for the members of the Board of Directors and the Chief Executive Officer
10. Determination of the number of Directors and auditors
11. Determination of the fees to be paid to the Directors and the auditor
12. Election of Directors and of an auditor
13. Resolution on the Nominating Committee
14. Resolution on guidelines for remuneration of executives
15. The Board of Directors' proposed resolution on the introduction of a new long-term incentive scheme
16. The Board of Directors' proposed resolution on authorisation to issue shares
17. Closure of the AGM

Appropriation of profit or loss (item 9 b)

The Board of Directors proposes that no dividend be paid and that the company's retained earnings be carried forward.



The Nominating Committee's proposal (items 2 and 10 - 12)

The Nominating Committee, which consists of Mats Larsson (First AP Fund), Chairman, Claus Asbjørn Andersson (Sunstone Life Science Ventures), Jannis Kitsakis (Fourth AP Fund) and Magnus Persson, Chairman of the Board, proposes the following:

- that the lawyer Erik Sjöman be elected to chair the Annual General Meeting;
- that the Board of Directors consist of seven Directors with no deputies;
- that fees, including remuneration for participating in committees, in a total amount of SEK 1,700,000 be paid to the members of the Board, of which SEK 430,000 to the Chairman of the Board and SEK 180,000 to each of the other Directors. It is proposed that a total amount of SEK 190,000 be paid for committee work, to be distributed as follows: the Chairman of the Audit Committee shall receive SEK 70,000 and the other members of the Audit Committee SEK 30,000 each, and the Chairman of the Remuneration Committee shall receive SEK 30,000 and the other members of the Remuneration Committee SEK 15,000 each. In addition, that, for each physical Board meeting, up to a maximum of six meetings, that is held in Sweden and attended by the Director, a meeting fee of SEK 20,000 be paid to each Director living outside the Nordic region;
- that the Directors Magnus Persson, Karin Leandersson, Thoas Fioretos, Claus Asbjørn Andersson and Patricia Delaite be re-elected to the Board, and that Corinne Savill and Anders Martin-Löf be elected as new Directors;
- that Magnus Persson be re-elected as Chairman of the Board;
- that the company have one auditor with no deputies;
- that fees be paid to the auditor in accordance with approved invoices; and
- that Öhrlings PricewaterhouseCoopers AB be re-elected as auditors (it being intended that Ola Bjärehäll assume the role of auditor-in-charge).

Corinne Savill, born 1959, has a B.Sc. in Biochemistry from the University of Manchester and did her postgraduate studies at University College, the Middlesex School of Medicine (Ph.D.) and the Charing Cross Sunley Research Centre in London. Corinne is currently Chief Business Officer at oncology-focused Cullinan Pharmaceuticals. Prior to that, she was Head of Business Development and Licensing at Novartis Pharmaceuticals.

Anders Martin-Löf, born 1971, has long experience as CFO for companies listed at the Stockholm stock exchange. He is currently CFO at Wilson Therapeutics and was previously CFO at RaySearch Laboratories. Before that he was responsible for investor relations and had different positions within business development at Swedish Orphan Biovitrum. He has a M.Sc. in Economics and Business from Stockholm University and a M.Sc. in Engineering Physics from the Royal Institute of Technology in Stockholm.

Nominating Committee (item 13)

The Nominating Committee proposes that the Annual General Meeting resolve:

- to instruct the Chairman of the Board to convene, based on the ownership of the company at 30 September 2018, a Nominating Committee consisting of one representative for each of the three largest shareholders of the company as well as the Chairman of the Board,
- that, if any of the three largest shareholders chooses not to exercise its right to appoint a member of the Nominating Committee, this right shall be transferred to the shareholder which, after these three shareholders, has the largest shareholding,
- that, if any of the shareholders which have appointed a member of the Nominating Committee sells a non-negligible portion of its shareholding during the mandate of the Nominating Committee or for other reasons ceases to be a major shareholder with the right to appoint a member of the Nominating Committee, the member appointed by that shareholder should step down from the Nominating Committee. Such member shall, if deemed appropriate by the Nominating Committees, be replaced by a member appointed by the shareholder which instead qualifies as one of the three largest shareholders of the company,
- that, if a member no longer represents the shareholder which appointed him or her or if the member for other reasons leaves the Nominating Committee before it has completed its work, the shareholder shall be given the opportunity to appoint a new member of the Nominating Committee, and
- that the Nominating Committee shall fulfil the duties incumbent on it under the Swedish Corporate Governance Code.

Resolution on guidelines for remuneration of senior executives (item 14)

The Board of Directors proposes the following guidelines for remuneration of senior executives. In essence, the guidelines stipulate that the company should offer its senior executives a normal market remuneration, that resolutions on remuneration be prepared by the Remuneration Committee and that the applicable criteria comprise the senior executive's responsibilities, role, expertise and position.



The remuneration paid to senior executives may consist of fixed remuneration, variable remuneration, non-monetary benefits, a pension, other benefits and share-based incentive schemes, as resolved by a shareholders' meeting.

Variable remuneration shall consist of a normal market remuneration and be based on outcomes for financial and individual targets. The terms and bases of calculation for variable remuneration shall be determined annually.

Variable remuneration is settled in the year after it was earned and can be paid either as salary or as a single pension contribution. Annual variable remuneration is capped at 20 per cent of the fixed annual salary. For the CEO, the amount of variable remuneration is capped at SEK 500,000, excluding social security contributions.

Incentive scheme (item 15)

The Board of Directors proposes that the Annual General Meeting resolve to introduce a new long-term variable share-based incentive scheme for senior executives and key personnel of the company. The proposal has been initiated by Cantargia's Board of Directors and has been designed in collaboration with external advisors, and has been prepared by the Remuneration Committee and examined at meetings of the Board.

Purpose and scope of the scheme

To create a long-term incentive for the company's management team and to promote investments in and ownership of Cantargia shares, all members of the company's management team, including the CEO, as well as other key personnel will be offered variable long-term remuneration in the form of a group bonus for the acquisition of shares of the company ("the Scheme"). The scheme is a variable long-term remuneration scheme under which participants commit to use distributed variable cash remuneration to acquire shares of the company. The participants will acquire the shares on the stock market. For the CEO, this is additional to any variable remuneration in accordance with the above. It is intended that the Scheme constitute a recurring annual scheme.

The maximum payout to each participant in the Scheme for 2018 is capped at 10 per cent of his or her fixed annual salary. The total size of the Scheme for 2018 is capped at SEK 700,000, excluding social security contributions. In case of partial target achievement, a portion of the maximum payout will be distributed.

Performance requirements and target achievement

The Scheme is based on that or those annual bonus targets which are defined by the Board for the company and which refer to the company's activities, financial key performance indicators and internal processes. The decision on the annual amount available under the Scheme will be integrated in the annual evaluation process for total variable remuneration in order to link annual performance to long-term targets, to increase employees' shareholdings in Cantargia and to retain skilled staff by offering competitive terms.

Target achievement will be assessed by the company's Board of Directors in connection with the adoption of the annual report for each year. To be entitled to a share of the group bonus for the acquisition of shares under the Scheme, the employee must be a permanent employee. The employee must also have been employed by the company for at least one year. A draft decision on which employees should be covered by the Scheme will be drawn up by the Remuneration Committee in consultation with the Chief Executive Officer. The decision on which employees will be covered by the Scheme will be made by the Board of Directors.

Distributions and acquisition of Cantargia shares

When the target achievement has been determined by the company's Board of Directors, the amount due to each participant in the Scheme will be distributed within four weeks of the adoption of the annual report. The acquisition of shares by the participants should be made as soon as possible after the distribution from the company. The company's Board of Directors may permit that the acquisition of shares under the Scheme take place at a later time in the event that the participant is prevented from acquiring shares of the company due to temporary market abuse rules or for other reasons.

Participants are required to use their whole remuneration under the Scheme, net of tax, to acquire shares of Cantargia on the stock market. Shares acquired by a participant under the Scheme must be held by the participant for a three-year period after the distribution.

The company will pay social-security contributions on variable remuneration that is paid under the Scheme. The remuneration paid under the Scheme will not, however, entitle the beneficiary to pension contributions or holiday pay in addition to what is provided for under mandatory legislation.

Termination of employment or breach of contract

A participant whose employment ceases as a result of termination by the employee or by the company or by other means will be required to continue to hold those shares which have been acquired in accordance with the provisions of the Scheme.



In the event that a participant violates the terms of the Scheme, for example by failing to provide information on the status of his or her shareholding, the company may require that he or she sell all shares acquired under the Scheme, whereby the gross amount received by the participant through the sale shall be repaid to the company. If the participant sells shares in breach of the terms of the Scheme, the participant will be required to pay a penalty to the company comprising the gross amount which the employee received through the sale of the shares.

Principles for annual variable remuneration and the Scheme

In determining the annual variable remuneration and the Scheme, the Board of Directors shall consider introducing conditions which:

- disqualify a person who sells shares in breach of the provisions of the Scheme from future participation in variable or long-term remuneration schemes;
- make the distribution of a certain portion of such remuneration contingent on the performance on which the remuneration is based proving to be sustainable over time;
- give the company the right to claw back remuneration which has been paid out on the basis of information which subsequently proves to have been manifestly incorrect; and
- stipulate that a payout to a participant may be wholly or partially delayed, reduced or cancelled if the payment in the view of the Board of Directors is considered inappropriate with regard to the company's earnings, financial position or liquidity situation.

Authorisation to issue shares (item 16)

The Board of Directors proposes that the Annual General Meeting authorise the Board, during the period until the next Annual General Meeting, on or one or several occasions and with or without pre-emption rights for existing shareholders, to resolve to issue new shares, provided that such issuance not comprise more than ten per cent of the number of outstanding shares of the company on the day of the Annual General Meeting. It shall also be possible to stipulate that such new shares be issued for non-cash consideration or paid for by means of set-off or subject to other terms and conditions.

The purpose of the authorisation is to raise working capital for the company. If the Board decides to disapply the pre-emption rights of existing shareholders in relation to such issuance, the reason therefor must be to raise working capital for the company, to attract new owners of strategic importance for the company or to acquire other companies or businesses.

Other information

The full decision guidance documents (only in Swedish) will be available at the company's office, Scheelevägen 2 in Lund, and on the company's website (www.cantargia.com) no later than three weeks before the AGM and will be sent to those shareholders who request this and provide their postal address. Shareholders are reminded of their right to request information pursuant to Chapter 7 Section 32 of the Swedish Companies Act.

Lund, May 2018
Cantargia AB (publ)
The Board of Directors