



Klaria Pharma Holding AB (publ) issues notice to attend extraordinary general meeting

The shareholders in Klaria Pharma Holding AB (publ), reg. no. 556959-2917, are hereby given notice to attend the extraordinary general meeting on 30 December 2021.

Special arrangements due to the risk for spread of the virus COVID-19 (coronavirus)

The board of directors has, in light of continued spread of the coronavirus and in accordance with the Swedish Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations, decided that the extraordinary general meeting shall be held without physical presence of shareholders, proxies and/or external parties and that the shareholders shall have only the opportunity to vote by mail prior to the extraordinary general meeting.

Klaria welcomes all shareholders to exercise their voting rights at the extraordinary general meeting through postal voting as described below. Information on the resolutions passed at the extraordinary general meeting will be published on 30 December 2021, as soon as the result of the postal voting has been finally confirmed.

Notice

Shareholders wishing to participate at the meeting must:

- i. be entered in the shareholders' register, kept by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation), on the record day which is 21 December 2021; and
- ii. notify the company of their attendance no later than 29 December 2021 by casting their postal vote in accordance with the instructions under the heading "Postal voting" below so that the postal voting form is received by Setterwalls Advokatbyrå AB no later than that day. Please note that a notification to attend the general meeting can only be done by a postal vote.

A shareholder represented by proxy shall issue a power of attorney. Further instructions regarding this are available below under the heading "Proxy voting".

Nominee registered shares

Shareholders who have their shares registered in the name of a nominee must request temporary entry in the transcription of the share register kept by Euroclear Sweden AB in order to be entitled to participate and vote for their shares at the meeting. The shareholder must inform the nominee well in advance of 21 December 2021, at which time the register entry must have been made. Voting rights registration that has been requested by the shareholder at such time that the registration has been completed by the nominee no later than 23 December 2021, will, however, be taken into account in the preparation of the share register.

Postal voting

The shareholders may exercise their voting rights at the annual general meeting only by voting in advance, so-called postal voting, in accordance with Section 22 of the Swedish Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for postal voting. The form will be available on the company's website, www.klaria.com. The postal voting form is considered as the notification of participation at the annual general meeting.

The completed voting form must be received by Setterwalls Advokatbyrå AB no later than 29 December 2021. The form may be submitted by post to Setterwalls Advokatbyrå AB, Attn: Magnus Melin, P.O. Box 1050, 101 39 Stockholm, Sweden or via e-mail to magnus.melin@setterwalls.se.

The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the postal vote in its entirety) will be deemed as invalid. Further instructions and conditions are included in the form for postal voting.

The shareholders may request in the postal voting form that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of postal voting. Such general meeting shall take place if the annual general meeting so resolves or if shareholders with at least one tenth of all shares in the company so requests.

Proxy voting

A shareholder represented by proxy shall issue a power of attorney which shall be dated and signed by the shareholder. If the shareholder postal votes by proxy, the power of attorney shall be enclosed to the form. If issued by a legal entity, the power of attorney shall also be accompanied by registration certificate or, if not applicable, equivalent documents of authority. Power of attorney forms for those shareholders wishing to postal vote by proxy will be available on the company's website www.klaria.com.

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 at least one person who shall approve the minutes of the meeting.
5. Approval of the agenda.
6. Determination of whether the meeting has been duly convened.
7. Resolution on approval of an addendum agreement with FFT Medical AB.
8. Resolution on issuance of shares to FFT Medical AB as payment in accordance with the addendum agreement under agenda item 7.
9. Resolution on implementation of a long-term incentive programme for employees and consultants and by way of (i) a directed issue of warrants and (ii) approval of transfer of warrants.
10. Closing of the meeting.

Proposed resolutions

Election of chairman of the meeting (item 2)

The nomination committee proposes that attorney Marcus Nivinger (lawyer at Setterwalls Advokatbyrå) is appointed chairman of the extraordinary general meeting.

Preparation and approval of the voting list (item 3)

The voting list that is proposed for approval is the voting list prepared by Setterwalls Advokatbyrå AB on behalf of the company, based on the shareholders' register for the general meeting kept by Euroclear Sweden AB, and postal votes received, and approved by the persons appointed to approve the minutes.

Election of at least one person who shall approve the minutes of the meeting (item 4)

The board of directors proposes that Fredrik Hübinette is to be appointed as person verifying the minutes together with the chairman of the general meeting, or in the event he or she is prevented from doing so, the person the CEO appoints instead. The person appointed to verify the minutes shall, apart from approving the minutes of the general meeting together with the chairman of the general meeting, check the voting list and that the results of received votes are correctly reflected in the minutes of the general meeting.

Resolution on approval of an addendum agreement with FFT Medical AB (item 7)

Certain transactions between closely related parties according to Chapter 16a of the Swedish Companies Act be submitted to the general meeting for approval. The board of directors proposes that the general meeting resolves to approve an addendum agreement (the "**Addendum Agreement**") between Klaria Pharma Holding AB (publ) ("**Klaria**") and FFT Medical AB, reg. no. 556818-7214 ("**FFT Medical**"), which was entered into in order to finally settle the purchase price agreed between the parties in connection with Klaria acquiring all shares in Uppsalagruppen Medical AB, reg. no. 556847-3390 ("**Uppsalagruppen**") from FFT Medical. The board of directors hereby submits the following proposal and report as referred in Chapter 16a Section 7 of the Swedish Companies Act.

Background and reasons

During 2019, Klaria acquired all shares in Uppsalagruppen from FFT Medical. According to the purchase agreement, part of the purchase price is to be paid by Klaria during a period of 20 years from the acquisition based on, inter alia, licensing revenue as well as based on the part of Klaria's net revenue attributable to a patent owned by Uppsalagruppen. Klaria and FFT Medical have through the Addendum Agreement agreed to finally settle the purchase price through a one-time payment.

Description of the Addendum Agreement

On 14 December 2021, Klaria and FFT Medical entered into the Addendum Agreement. According to the Addendum Agreement, Klaria is to make a one-time payment consisting of SEK 1,000,000 in cash as well as 2,158,678 new shares in Klaria. Through the one-time payment, all the parties' rights and obligations under the agreement are settled, including Klaria's obligation to make payment based on the abovementioned factors during a period of 20 years from the acquisition.

In light of Fredrik Hübinette, chairman of the board of Klaria, owning over 20 per cent of the shares in FFT Medical, FFT Medical is considered a closely related party to Klaria in accordance with Chapter 16a Section 3 of the Swedish Companies Act. According to Chapter 16a Section 7 of the Swedish Companies Act, material transactions with closely related parties shall be submitted to the general meeting for approval. The Addendum Agreement is therefore conditional upon the shareholders in Klaria approving the transaction.

Proposed resolution

The board of directors proposes that the extraordinary general meeting resolves to approve the Addendum Agreement with FFT Medical.

Resolution on issuance of shares to FFT Medical AB as payment in accordance with the addendum agreement under agenda item 7 (item 8)

The board of directors proposes that the extraordinary general meeting resolves, with deviation from the shareholders' preferential rights, on issuance of not more than 2,158,678 new shares

entailing an increase in the share capital of not more than SEK 35,977.967315. The resolution shall otherwise be governed by the following terms and conditions.

Right to subscribe for new shares

With deviation from the shareholders' preferential rights the right to subscribe for new shares shall vest in FFT Medical AB. The reason for not applying the shareholders' preferential rights is to enable the company to make payment in accordance with the addendum agreement described under agenda item 7 to this notice to attend.

Subscription price, subscription and payment

A subscription price corresponding to the quotient value of the company's shares shall be paid for each share subscribed for, corresponding to a total amount of SEK 35,977.967315 upon full subscription. The basis for the subscription price is the addendum agreement entered into between the company and FFT Medical AB described under agenda item 7 to this notice to attend.

Subscription for shares shall be made on a separate subscription list on the date of the extraordinary general meetings resolution to issue shares. Payment shall be made in connection with subscription.

The board of directors shall be authorized to extend the subscription and payment time.

Entitlement to dividends

The new shares shall entitle to dividends as from the first time on the record date for dividend occurring after the shares have been entered in the share register kept by Euroclear Sweden AB.

Majority requirements

A valid decision on the proposal according to item 7 requires that the resolution is supported by shareholders representing at least two-thirds (2/3) of the votes cast and the shares represented at the meeting.

Miscellaneous

Documents as referred to in Chapter 13 Section 6 of the Swedish Companies Act have been prepared and are kept available at the company's address.

The chairman of the board of directors, the CEO or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office.

Resolution on implementation of a long-term incentive programme for employees and consultants and by way of (i) a directed issue of warrants and (ii) approval of transfer of warrants (item 9)

The board of directors in (excluding Scott Boyer and Fredrik Hübinette) proposes that the extraordinary general meeting resolves on implementation of a long-term incentive programme ("Warrant programme 2021/2025") for certain employees and consultants in the company and the company's group by way of (i) a directed issue of warrants and (ii) approval of transfer of warrants as set forth below. The warrants shall entitle to subscription for new shares in the company.

Background and reasons

The proposal to launch an incentive programme by the issuance of warrants has been prepared and presented by the board of directors (excluding Scott Boyer and Fredrik Hübinette) in order to strengthen the retention of employees and consultants with the company group and to motivate the employees and consultants to create shareholder value. The board of directors assess that these objectives are in line with all shareholders' interests.

The programme encompasses certain employees and consultants of the group. Board members not employed by the group are not allowed to participate. Those entitled to participate in the

incentive program are hereinafter referred to as “**Participants**”. The programme will encompass around 12 Participants.

Terms and conditions for the issue of warrants

1. The company shall issue not more than 5,750,000 warrants. Each warrant entitles to subscription of one (1) new share in the company.
2. The warrants may, with deviation from the shareholders’ preferential rights, only be subscribed for by the company, after which the company is to transfer the warrants to the Participants in accordance with the resolution adopted by the general meeting and instructions from the board of directors of the company. The reason for the deviation from the shareholders’ preferential rights is that the warrants are to be used within the proposed incentive programme.
3. Subscription for warrants shall be made on a separate subscription list following the general meeting’s issue resolution, but no later than 1 January 2022. The board of directors shall be entitled to prolong the subscription period.
4. The warrants shall be issued without consideration (i.e. free of charge) to the company.
5. If all issued warrants are subscribed for by the company, transferred to and exercised by the Participants for subscription of new shares, the company’s share capital will increase with SEK 95,833.335059 (subject to potential recalculations in accordance with standard terms and conditions applicable to the warrants set out in an appendix to the board of directors’ complete proposal).
6. The warrants may be exercised for subscription for new shares during the period from and including 1 January 2025 until and including 31 January 2025. Subscription for new shares may however not take place during so-called closed periods according to the EU Market Abuse Regulation, or otherwise in breach of relevant insider rules and regulations (including the company’s internal guidelines in this respect). Warrants that have not been exercised for subscription of new shares by 31 January 2025 shall lapse.
7. Each warrant shall entitle the warrant holder to subscribe for one (1) new share at a subscription price per share amounting to SEK 11. Any amount that exceeds the quotient value shall be transferred to the nonrestricted share premium account. The exercise price may never be below the quotient value of the shares.
8. The warrants will be subject to customary recalculation conditions set out in an appendix to the board of directors’ complete proposal.

Allocation principles to be applied in relation to Participants

The warrants are to be transferred to the Participants against a premium payable by the Participants corresponding to the theoretical market value of the warrants as of the date of transfer, calculated by an independent valuation agent engaged by the company by use of the Black & Scholes valuation model.

The board of directors of the company shall resolve upon allocation to Participants in accordance with the guidelines set forth below. No Participant may be offered a higher number of warrants than the maximum allocation set forth below.

Category	Maximum number of warrants per Participant	Maximum number of warrants within the respective category
Management	1,830,000	4,410,000
Employees	140,000	305,000
Advisors & consultants	650,000	1,035,000
Total:	-	5,750,000

A Participant can choose to acquire a lower but not a higher number of warrants than offered to the Participant.

Warrant agreements

All warrants will be governed by warrant agreements to be entered into between each Participant and the company in connection with the transfer of warrants from the company. The warrant agreement will include a so-called vesting structure, certain transfer restrictions and other terms and conditions customary for such agreements. The vesting period until a share may be acquired may not be less than three years.

Reasons for the deviation from the shareholders' preferential rights

The reasons for the deviation from the shareholders' preferential rights is that the company wishes to offer warrants to certain employees and consultants of the group in order to strengthen the retention of employees and consultants and to motivate them to contribute to the creation of shareholder value. Warrants granted under the incentive programme to employees and consultants are intended to align such individual's and shareholder interests by attempting to create a direct relation between compensation and shareholder return. Participation in the incentive programme rewards overall corporate performance, as measured through the price of the shares in the company. In addition, the incentive programme enables employees and consultants to develop and maintain a significant ownership position in the company. As per today, the company has no share or share price related incentive programmes.

Dilution, costs, etc.

Upon full subscription, transfer and exercise of all 5,750,000 issued warrants; a total of 5,750,000 new shares will be issued in the company (subject to potential recalculations in accordance with standard terms and conditions applicable to the warrants as set forth in an appendix to the board of directors' complete proposal). This would lead to a dilution corresponding to approx. 9.99 per cent of the total share capital and number of votes in the company (based on the share capital and number of shares in the company registered as of the date of this proposal and calculated as the maximum amount of share capital and number of shares that may be issued, divided by the total share capital and the total number of shares in the company after all warrants have been exercised).

Accounting for the new shares that may be issued under the proposed incentive programme, the key ratio earnings per share for the full year 2020 had then been changed in such way that the result per share had been changed from approximately SEK -1.19 to approximately SEK -1.05. The market value of the warrants for the subscription period is estimated to SEK 0.38 per warrant (as per 9 December 2021), in accordance with the preliminary valuation made based on a market value of the underlying share corresponding to SEK 6.19 (as per 7 December 2021). The Black & Scholes valuation model has been used for valuing the warrants, assuming a risk free interest of -0.05 per cent and a volatility of 33.18 per cent.

There are costs associated with the incentive programme in respect of valuation, consultancy services and costs for registration and practical management of the programme. There should not be any security costs or similar payable by the company. Ongoing administration costs and other costs of the programme are minimal.

Approval of transfer of warrants from the Subsidiary to Participants

A resolution to issue warrants in accordance with this proposal also includes an approval of the transfers of warrants from the company to the Participants.

Preparation of the proposal

This proposal has been prepared by the board of directors (excluding Scott Boyer and Fredrik Hübinette) together with external consultants. The final proposal has been presented by the board of directors (excluding Scott Boyer and Fredrik Hübinette).

Majority requirements

This proposal to adopt the incentive programme and to issue warrants, as well as the approval of the transfers of warrants from the company to the Participants, is governed by the provisions in

Chapter 16 of the Swedish Companies Act, and a valid resolution therefore requires that the proposal is supported by shareholders representing at least nine-tenths (9/10) of the votes cast as well as of all shares represented at the meeting.

Miscellaneous

Documents as referred to in Chapter 14 Section 8 of the Swedish Companies Act have been prepared and are kept available at the company's address.

The chairman of the board of directors, the CEO or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office.

Number of shares and votes in the company

The total number of shares in the company at the time of issuance of this notice is 51,808,279. The company does not hold any of its own shares.

Shareholders' right to request information

The board of directors and the CEO shall, if any shareholder so requests and the board of directors believe that it can be done without material damage to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda. A request for such information shall be made in writing to the company no later than on 20 December 2021. The information will be made available at the company's office from 25 December 2021, at the latest. The information will, from the same date, also be available on the company's website www.klaria.com. The information will also be sent, within the same period of time, to the shareholder who has requested it and stated its address.

Documentation

The complete proposals and other documents to be dealt with at the general meeting will be kept available at the company's office not later than two weeks before the meeting. The documents will be sent free of charge to shareholders who so request and state their postal address. The documents will also be made available not later than the aforementioned date on the company's website www.klaria.com. All the above mentioned documents will also be presented at the general meeting.

Processing of personal data

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

Klaria Pharma Holding AB (publ)

Stockholm, December 2021

The board of directors

Official version of notice to attend the annual general meeting

The official version of the notice to attend the annual general meeting is in the Swedish language and available for download at www.klaria.com.

For further information, please contact:

Scott Boyer, member of the Board of Directors and CSO, Klaria Pharma Holding AB (publ)
Telephone: +46 (0)8-446 42 99
Email: scott.boyer@klaria.com

This is Klaria Pharma Holding AB

Klaria (Klaria Pharma Holding AB) is a Swedish listed pharmaceutical company that develops innovative, rapid-acting products. By combining patented technology of a film that attaches to the oral mucosa and well proven pharmaceuticals, the company has developed a drug distribution concept with many benefits and potential uses. Klaria is listed on Nasdaq First North Growth Markets under the short name KLAR. FNCA Sweden is Certified Advisor (info@fnca.se, +46(0) 8-528 00 399) for Klaria Pharma Holding AB. For more information, see www.klaria.com.