



Stockholm, June 30, 2020

PRESS RELEASE

NOTICE OF EXTRAORDINARY GENERAL MEETING OF LIPIDOR AB (publ)

The shareholders of Lipidor AB (publ) (the "Company") are hereby invited to attend an Extraordinary General Meeting on August 11, 2020 at 11:00 a.m. CET. 13.00 at Karolinska Institutet Science Park, Fogdevreten 2 in Solna. Voting rights registration begins at 12.30 p.m. and will cease when the meeting is opened.

The Company continues to closely monitor the situation in relation to Covid-19, the coronavirus, and shall return with further information closer to the date of the EGM if it is deemed necessary to take any special precautions against contamination in connection with the holding of the EGM.

Right to participate

Shareholders who wish to attend the EGM must be listed in the shareholder's register kept by Euroclear Sweden AB on August 5, 2020 and shall announce their intention to participate in the EGM no later than August 5, 2020. Registration can be made in writing to Lipidor AB (publ), c/o Fredersen Advokatbyrå, Turning Torso, 211 15 Malmö or by e-mail to lipidor@fredersen.se. The notification shall state the name, address, personal or corporate identity number, daytime telephone number, and, where applicable, the number of assistants (two maximum). The notifier will receive confirmation after registration. If no confirmation is received, the notification has not been made correctly.

In order to participate in the meeting, shareholders who have their shares registered with a nominee, i.e. stored in a depository, must temporarily register the shares in their own name in the share register kept by Euroclear Sweden AB. Such registration shall be completed by August 5, 2020 and shall be requested well in advance of this date from the entity managing the shares.

Representation by proxy

If shareholders intend to be represented by a proxy, power of attorney shall be issued for the proxy. The power of attorney must be in writing, signed and dated by the shareholder. If the shareholder is a legal person, a copy of the registration certificate or, if such document does not exist, the corresponding authorization document shall be attached to the notification. The document shall prove the right of the signatory of the power of attorney to appoint a representative for the legal person. In order to facilitate registration at the EGM, the original power of attorney, registration certificate and other authorization documents shall be made available to the company at the above address no later than August 5, 2020. If the power of attorney and other authorization documents have not been submitted in advance, the original of the power of attorney and other authorization documents must be presented at the meeting. Proxy forms are available from the company and on the company's website, www.lipidor.se, and shall be sent on request to shareholders who provide their postal address.

Draft agenda

1. Opening of the EGM
2. Election of the Chairman of the EGM
3. Establishment and approval of the electoral roll



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4. Selection of one or two persons to confirm the minutes
5. Determination as to whether the meeting has been duly convened
6. Approval of agenda
7. Resolution approving Emollivet AB's decision on directed share issue
8. Resolution approving Emollivet AB's resolution on directed issue of warrants
9. Decision authorizing the CEO to decide on minor adjustments to the decisions
10. Conclusion

The Board of Directors' proposal for a resolution on approval of Emollivet AB's resolution on directed share issue (item 7)

On June 30, 2020, the Annual General Meeting of the Company's subsidiary Emollivet AB ("Emollivet") decided to issue a maximum of 800 shares with deviation from the shareholders' preferential rights (the "New Share Issue"). The decision in Emollivet was conditional on the annual general meeting of the Company deciding to approve the Rights Issue. The Board of Directors therefore proposes that the Extraordinary General Meeting resolves to approve the resolution on the New Share Issue in Emollivet as follows:

1. The share capital is increased by a maximum of SEK 80,000 by a new issue of a maximum of 800 shares.
2. The subscription price for each share shall be SEK 5,000. The basis for the subscription price is the Board's valuation of Emollivet, according to a post-money valuation following the latest issue in Emollivet, which was decided in December 2019. Since that date, no significant value-adding changes have occurred that would affect the valuation of Emollivet. The Board of Directors has assessed that the subscription price and other terms for the rights issue are market-based.
3. The right to subscribe for the new shares shall, with deviation from the shareholders' preferential rights, be vested in a limited group of investors who have pre-registered interest in subscription. Among the group of investors are Emollivet's parent company Lipidor, board members, existing shareholders and others related to Lipidor, as follows:

Lipidor, parent company of Emollivet: 51 shares
Fredrik Sjövall, Chairman of Lipidor: 35 shares
Cerbios-Pharma SA, major shareholder in Lipidor: 269 shares
Aurena Laboratories AB, major shareholder in Lipidor: 200 shares
Ola Flink, board member of Lipidor: 35 shares
Bengt Herlöf, Board member of Emollivet, co-founder of Lipidor: 35 shares
Anders Carlsson, co-founder of Lipidor: 35 shares
Gerhard Miksche, co-founder of Lipidor: 35 shares
Jan Holmbäck, Head of Research of Lipidor: 35 shares
Magnus Hedman, former board member of Lipidor, founder of and partner in Aurena Laboratories AB: 35 shares
Rudolf Dudler, Deputy Chairman of the Board of Cerbios-Pharma SA: 35 shares

4. Subscription of shares shall be made on the subscription list during the period 18 - 25 August 2020. The Board of Directors shall have the right to extend the subscription period.



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5. Payment shall be made no later than August 26, 2020. The Board shall have the right to postpone the time of payment.
6. The Board of Directors has the right to cancel the New Share Issue.
7. The new shares shall be entitled to dividend on the first record date for a dividend that falls closest after they have been included in Emollivet's share book.
8. The decision on the New Share Issue is conditional upon the extraordinary general meeting of Lipidor deciding to approve Emollivet's decision.
9. The Chairman of the Board of Emollivet, or whoever he appoints, is authorized to make the minor adjustments to the decision and the conditions that may prove necessary in connection with registration and execution.

The reason for the deviation from the shareholders' preferential rights is to finance Emollivet's operations in a cost-effective way through the supply of working capital and to broaden Emollivet's ownership base with new strategic investors.

Provided the New Share Issue is fully subscribed, the corresponding dilution effect is approximately 42.1 percent of the total number of shares and votes in Emollivet. The dilution effect has been calculated as the number of additional shares and votes in relation to the total number of shares and votes after the New Share Issue. After the New Share Issue, Lipidor will own 951 shares in Emollivet. Provided the New Share Issue is fully subscribed, this corresponds to approximately 50.1 percent of the total number of shares and votes in Emollivet.

The Board's considerations

Emollivet AB was formed in June 2019 as a subsidiary of Lipidor with the aim of commercializing animal care products in a separate company. In June 2020, a license agreement was signed between the companies regulating Emollivet's rights to AKVANO®, Lipidor's patented formulation platform.

Lipidor owns 900 shares in Emollivet AB at the time of this notice, corresponding to approximately 82 percent. Of the total number of shares amounting to 1,100, Viken Research AB, corporate ID no. 559113 - 7541, owned by Christer Sjögren, owns the remaining 200 shares.

Based on AKVANO and in collaboration with SLU, a product series for the treatment of various skin afflictions that are common in animals has been developed. The products have been introduced on a small scale for a smaller number of players in the veterinary industry. To succeed with a broader launch, international expansion and to be able to establish a position from which commercial partnerships are possible to enter, capital and dedicated staff are required. This is outside Lipidor's budget and core business.

Lipidor's Board of Directors therefore considers that, according to the presented proposal, the New Share Issue is the best solution for both Emollivet and Lipidor. Lipidor will subscribe to such a large part of the rights issue that Emollivet remains a subsidiary of Lipidor. Lipidor and its shareholders benefit from the rights issue as capital can be provided to Emollivet in an efficient way. There is also a stated ambition from both Emollivet's and Lipidor's Board of Directors to work for Emollivet to be spun out and listed on a marketplace.



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The new share issue will bring in SEK 4 million to Emollivet. Valuation has been made in the way described in detail above. Lipidor's Board of Directors considers the subscription price to be market-based.

In connection with the proposal, Lipidor has taken into account both good practice in the stock market and Chapter 16 of the Companies Act regarding issues directed to the Company's related parties. For this reason, the resolution presupposes that it is assisted by shareholders with at least nine tenths of both the votes cast and the shares represented at the meeting. In addition, documents pursuant to chapter 13 § 6 are kept available at the Company and on the Company's website no later than three weeks before the Extraordinary General Meeting. The documents are sent on request to shareholders who state their mailing address.

The Board's proposal for a decision approving Emollivet AB's decision on a directed issue of warrants (item 8)

The Annual General Meeting of the Company's subsidiary Emollivet AB ("Emollivet") decided on 30 June 2020 to issue a maximum of 95 warrants of the 2020/2023 series with deviation from the shareholders' preferential rights (the "Warrant Program"). The decision in Emollivet was conditional upon the Extraordinary General Meeting of the Company deciding to approve the Warrant Program. The Board therefore proposes that the Extraordinary General Meeting resolves to approve the decision on the Emollivet Warrant Program as follows:

The following conditions shall apply in addition to what follows from Appendix A:

- (a) a maximum of 95 warrants shall be issued, each warrant entitled to subscribe for a share in Emollivet ("share");
- b) the right to subscribe for warrants shall, with deviation from the shareholders' preferential right, only be granted to the elected CEO of Emollivet (the "Subscriber"), and the subscriber entitled to the above has the right to acquire the warrants through a wholly owned company;
- (c) subscription warrants shall be subscribed for by 15 September 2020 at the latest;
- (d) payment for the warrants shall be made no later than five calendar days after the subscription period;
- e) the warrants shall be issued on market terms at a price per warrant determined on the basis of a calculated market value for the warrants using the Black & Scholes valuation model;
- (f) the period for exercise of the warrants shall be from 11 August 2022 to 11 August 2023;
- g) the maximum amount to be increased by the share capital is SEK 9,500;
- h) the subscription price per share shall be SEK 10,000;
- (i) shares acquired as a result of subscription entitle the holder to a dividend for the first time on the record date for the dividend, which occurs almost after the new shares have been included in Emollivet's share book;



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(j) the Chairman of the Board of Emollivet, or the person he designates, is authorized to make the minor adjustments to the decision and the conditions that may prove necessary in connection with registration and execution.

k) the decision is conditional on the extraordinary general meeting of Lipidor resolving to approve Emollivet's decision.

Full terms and conditions for the warrants are set out in Appendix A.

The reason for the deviation from the shareholders' preferential rights is that the Board of Directors wishes to offer the Subscriber to take part in Emollivet's future value development. A long-term financial interest in Emollivet is believed to stimulate interest in Emollivet's activities, increase motivation and strengthen involvement in Emollivet. Thus, the Board of Directors considers it to be advantageous to Emollivet and the shareholders that the Subscriber in this way is offered to acquire subscription warrants in Emollivet.

Upon full subscription and exercise of all warrants in this incentive program, Emollivet's share capital will increase by SEK 9,500 divided into 95 shares and votes, corresponding to a dilution effect of approximately 7.9 percent of the total current number of shares and votes in Emollivet, subject to any recalculation according to the full option conditions. The dilution effect has been calculated as the number of additional shares and votes in relation to the sum of the current number of shares and votes, respectively, and the number of additional shares and votes at full exercise. The dilution effect as a result of the warrants corresponds to approximately 4.8 percent of the total number of shares and votes in Emollivet following a fully subscribed new issue of shares in Emollivet. The proposal is not expected to have any significant effect on other relevant key figures for Emollivet. Overwriting in the issue cannot occur.

Since subscription of the options takes place at market value, Emollivet is not affected by social security costs. Therefore, in addition to administrative costs, the issue entails no costs for Emollivet. There is therefore no need to take any hedging measures. The Board's proposal has been prepared in consultation with legal and financial advisors.

The resolution presupposes for its validity that it has been supported by shareholders with at least nine tenths of both the votes cast and the shares represented at the meeting.

Resolution authorizing the CEO to decide on adjusting the decisions (Item 9)

The Board of Directors proposes that the Extraordinary General Meeting decides to authorize the Managing Director, or whomever the Managing Director otherwise recommends, to make minor adjustments and clarifications of the decisions made at the Extraordinary General Meeting to the extent that this is necessary for registration and execution of the decisions.

Other information

The resolution in accordance with paragraphs 7 and 8 presupposes for its validity that it is assisted by shareholders with at least nine tenths of both the votes cast and the shares represented at the meeting.

Documents in accordance with Chapter 13. § 6 and Chapter 14. § 8 will be made available at the Company and on the Company's website no later than three weeks before the



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Extraordinary General Meeting. The documents are sent on request to shareholders who state their mailing address.

Shareholders are reminded of their right to request information in accordance with Chapter 7. § 32 of the Companies Act.

Processing of personal data

For information on how personal data is processed see www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf

Solna, June 2020
Lipidor AB (publ)
the Board of Directors

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About Lipidor AB

Lipidor AB (www.lipidor.se) is a Swedish Stockholm-based research and development company with a pipeline of drug development projects in the pre-clinical and clinical phase. The company develops drugs for the treatment of skin diseases such as psoriasis, bacterial skin infections and atopic dermatitis by reformulating established drug substances.