



Press release
16 September, 2020

Notice to Extraordinary General Meeting in Scandion Oncology A/S

The Board of Directors of Scandion Oncology A/S ("Scandion Oncology" or the "Company") convenes the shareholders of Scandion Oncology to the Extraordinary General Meeting, which will be held:

Thursday 1 October 2020, at 4.00 PM, at Fruebjergvej 3, 2100 Copenhagen Ø, Denmark.

Due to COVID-19 the board of directors urges that no shareholder attends the general meeting physically but instead issues a power of attorney to the board of directors, vote by correspondence or participates in the general meeting through Microsoft Teams.

Complete notice incl. complete proposals can be found on the website of Scandion Oncology (www.scandiononcology.com).

Agenda

1. Election of chairman of the meeting.
2. Report from the chairman of the board of directors on the affairs of the Company.
3. Proposal to establish an incentive program by issuance of warrants to the board of directors.
4. Proposal to establish an incentive program by issuance of warrants to the CEO and the employees.

The total number of votes as of the date of this notice is 19,052,241.

Item 3: Proposal to establish an incentive program by issuance of warrants to the board of directors

BACKGROUND

The shareholder Jan Stenvang (the "**Proposer**") proposes to establish a long-term incentive program for members of the Company's board of directors (the "**2020 Board Warrant Program**").

The warrants proposed to be issued to the board of directors are referred to as the "**Board Warrants**".

The background for the implementation of the 2020 Board Warrant Program are to create possibilities for the Company to retain and incentivize the board of directors by offering a long-term ownership engagement. Such ownership engagement will contribute to an alignment of interests between the warrant holders and the shareholders and promote a long-term commitment to the Company's development.



Press release
16 September, 2020

TOTAL NUMBER OF WARRANTS IN THE 2020 BOARD WARRANT PROGRAM

The 2020 Board Warrant Program shall be comprised of a maximum of 214,338 Board Warrants to be distributed as follows:

- (i) Chairman: 71,447 warrants
- (ii) Deputy chairman: 47,631 warrants
- (iii) Other board members: 23,815 per board member (excluding the board member appointed by the employees)

COSTS, DILUTION, IMPACT ON KEY FIGURES AND OTHER INFORMATION

According to Danish GAAP that the Company apply, the 2020 Board Warrant Program will not result in any salary costs in the Company's profit and loss statement. The costs related to the 2020 Board Warrant Program will hence only be composed of limited costs for implementation and administration of the program.

The Board Warrants do not have a market value since they are not transferable. However, the Proposer has calculated a theoretical value of the Board Warrants in accordance with the Black Scholes formula. The calculations have been based on an assumed share price of SEK 43.4 per share and an assumed volatility of 50%. In accordance with this valuation, the value of a Board Warrant is approximately SEK 12.88 per warrant. Limitations in the disposal rights of Board Warrants have not been taken into consideration in the valuation.

There are currently no incentive programs outstanding in the Company. As per the date of this notice, the total number of shares in the Company amounts to 19,052,241. In addition thereto, there are 2,381,530 warrants issued and outstanding in the Company which were issued in connection with the unit issue resolved on 11 June 2019. The total fully diluted number of shares as of the date of this notice hence amounts to 21,433,771.

In case all issued Board Warrants are exercised for subscription of new shares, a total of 214,338 shares will be issued, which corresponds to a dilution of 0.99% of the total number of shares and votes on a fully diluted basis (based on the current share capital, the warrants issued on 11 June 2019 and the proposed 214,338 Board Warrants). The new shares will be added to the current fully diluted number of shares in the Company. Based on this dilution, the key figure earnings per share for the financial year 2019 would have changed from DKK -0.64 to DKK -0.63.

In addition to the 2020 Board Warrant Program, the board of directors of the Company has proposed that the extraordinary general meeting resolves to adopt a warrant program for the CEO and the employees comprising up to 1,286,026 warrants. In case all warrants issued in the two warrant programs proposed to be resolved by the extraordinary general meeting are exercised for subscription of new shares, in the aggregate 1,500,364 new shares will be issued, which corresponds to an aggregate dilution of 6.54 % of the total number of shares and votes on a fully diluted basis (based on the current share capital, the warrants issued on 11 June 2019 and the proposed 1,500,364 warrants). The new shares will be added to the current fully diluted number of shares in the Company.



Press release
16 September, 2020

The above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the applicable warrant terms.

The proposal for the 2020 Board Warrant Program has been prepared by the Proposer.

OVERVIEW OF MAIN TERMS OF THE 2020 BOARD WARRANT PROGRAM

Grant

All Board Warrants are granted 1 October 2020. The Board Warrants are granted free of charge.

Exercise price / strike price

The volume weighted average share price of the Company's shares during the 10 trading days following the date of the extraordinary general meeting on 1 October 2020.

Vesting

The Board Warrants vest annually in arrears on 1 October on a linear basis over 3 years (contingent on continued membership of the board of directors at the relevant time of vesting (subject to customary good leaver and bad leaver exemptions)). The first 1/3 of the Board Warrants vest 1 October 2021, the second 1/3 of the Board Warrants vest 1 October 2022, and the last 1/3 of the Board Warrants vest 1 October 2023. Accelerated vesting in case of a "Qualified Exit Event".

"Qualified Exit Event" shall mean an exit where the consideration exceeds three (3) times the market value of the Company calculated as the volume weighted average share price of the Company's shares during the 10 trading days following the effective date of the extraordinary general meeting on 1 October 2020.

Exercise periods

- The first portion of the Board Warrants which vest on 1 October 2021 can be exercised during the period 1 October 2021 - 1 October 2025.
- The second portion of the Board Warrants which vest on 1 October 2022 can be exercised during the period 1 October 2022 - 1 October 2025.
- The third portion of the Board Warrants which vest on 1 October 2023 can be exercised during the period 1 October 2023 - 1 October 2025.

Board Warrants which have vested can be exercised 4 times annually during a 3-weeks window starting from the publication of the Company's full year, semi-annual or quarterly reports.

During an exercise window the warrant holder is entitled to exercise all or part of the vested Board Warrants, however in no event less than 10% of the total number of Board Warrants issued to the warrant holder.



Press release
16 September, 2020

CORPORATE LAW INFORMATION

It is proposed (i) to issue 214,338 warrants to the board of directors of the Company pursuant to section 167 of the Danish Companies Act (i.e. the Board Warrants) each with a right to subscribe nominally DKK 0.0735 share and thus provides the right to subscribe in the aggregate minimum nominally DKK 0 and up to nominally DKK 15,753.843 new shares (the “**New Board Shares**”) by cash contribution at a price calculated as the volume weighted average share price of the Company's shares during the 10 trading days following the date of the extraordinary general meeting on 1 October 2020, and (ii) to resolve the corresponding increase of the share capital of the Company.

The following terms shall apply in respect of the proposed issuance of the Board Warrants:

- 1) The subscription of the Board Warrants must be made no later than 29 October 2020 by signing a warrant agreement.
- 2) Furthermore, the Board Warrants are subject to the complete terms and conditions for the warrants to be adopted by the extraordinary general meeting substantially in accordance with the form set out in schedule 2 to this notice (which schedule will be a schedule to the Company's articles of association, enclosed in draft as schedule 1 to this notice).

It is proposed that the resolution to issue the Board Warrants is inserted as a new section 4.3 in the articles of association as set out in the draft new articles of association enclosed as schedule 1 to this notice.

The following terms shall apply in respect of the increase of the share capital of the Company in case of exercise of the Board Warrants:

- 1) The New Board Shares will be issued without pre-emption rights for the Company's existing shareholders, and the pre-emption rights relating to the New Board Shares will not be restricted in respect of future capital increases other than as provided for in the Company's articles of association.
- 2) There are no restrictions on the transferability of the New Board Shares.
- 3) No shareholder is obliged to have his or her New Board Shares redeemed in full or in part.
- 4) The New Board Shares will be issued through VP Securities A/S and will be admitted to trading and official listing on Spotlight Stock Market.
- 5) The New Board Shares will be negotiable instruments.
- 6) The New Board Shares will be issued in the name of the holder and must be registered in the Company's shareholders' register.
- 7) The New Board Shares will each have a nominal value of DKK 0.0735.



Press release
16 September, 2020

8) Payment of the exercise price for the New Board Shares must be made no later than in connection with the warrant holder providing an exercise notice to the Company. Partial payment of the subscription amount is not permitted.

9) The New Board Shares shall confer rights to dividend and other rights in the Company upon registration of the capital increase with the Danish Business Authority.

10) The expected costs in connection with the capital increase is paid by the Company and are estimated at DKK 125,000 exclusive VAT.

Item 4 Proposal to an incentive program by issuance of warrants to the CEO and the employees

BACKGROUND

The board of directors proposes to establish a long-term incentive program for the CEO and the employees (the "**2020 CEO and Employee Warrant Program**").

The warrants proposed to be issued to the CEO and the employees are referred to as the "**CEO and Employee Warrants**".

The background for the implementation of the 2020 CEO and Employee Warrant Program are to create possibilities for the Company to retain and incentivize the CEO and the employees by offering a long-term ownership engagement. Such ownership engagement will contribute to an alignment of interests between the warrant holders and the shareholders and promote a long-term commitment to the Company's development. The 2020 CEO and Employee Warrant Program is designed to incentivize both ongoing value creation in the Company and to increase the value of the Company in case of an exit event.

TOTAL NUMBER OF WARRANTS IN THE 2020 CEO AND EMPLOYEE WARRANT PROGRAM

The 2020 CEO and Employee Warrant Program shall be comprized of a maximum of 1,286,026 CEO and Employee Warrants to be distributed by the board of directors in accordance with the following guidelines:

(i) CEO: 1,071,688 warrants

(ii) Employees: Not more than 70,000 warrants per employee (214,338 warrants in total).

COST, DILUTION, IMPACT ON KEY FIGURES AND OTHER INFORMATION

According to Danish GAAP that the Company currently apply, the 2020 CEO and Employee Warrant Program will not result in any salary costs in the Company's profit and loss statement. The costs related to the 2020 CEO and Employee Warrant Program will hence only be composed of limited costs for implementation and administration of the program.



Press release
16 September, 2020

The CEO and Employee Warrants do not have a market value since they are not transferable. However, the board of directors has calculated a theoretical value of the CEO and Employee Warrants in accordance with the Black Scholes formula. The calculations have been based on an assumed share price of SEK 43.4 per share and an assumed volatility of 50%. In accordance with this valuation, the value of a CEO and Employee Warrant is approximately SEK 10.03 per warrant. Limitations in the disposal rights have not been taken into consideration in the valuation.

There are currently no incentive programs outstanding in the Company. As per the date of this notice, the total number of shares in the Company amounts to 19,052,241. In addition thereto, there are 2,381,530 warrants issued and outstanding in the Company which were issued in connection with the unit issue resolved on 11 June 2019. The total fully diluted number of shares as of the date of this notice hence amounts to 21,433,771.

In case all issued CEO and Employee Warrants are exercised for subscription of new shares, a total of 1,286,026 shares will be issued, which corresponds to a dilution of 5.66% of the total number of shares and votes on a fully diluted basis (based on the current share capital, the warrants issued on 11 June 2019 and the proposed 1,286,026 CEO and Employee Warrants). The new shares will be added to the current fully diluted number of shares in the Company. Based on this dilution, the key figure earnings per share for the financial year 2019 would have been changed from DKK -0.64 to DKK -0.60.

In addition to the 2020 CEO and Employee Warrant Program, a shareholder has proposed that the extraordinary general meeting resolves to adopt a warrant program for the board of directors comprising up to 214,338 warrants. In case all warrants issued in the warrant programs proposed to be resolved by the extraordinary general meeting are exercised for subscription of new shares, in the aggregate 1,500,364 new shares will be issued, which corresponds to a dilution of 6.54% of the total number of shares and votes on a fully diluted basis (based on the current share capital, the warrants issued on 11 June 2019 and the proposed 1,500,364 warrants). The new shares will be added upon full utilization of all warrants proposed to be resolved by the extraordinary general meeting.

The above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the applicable warrant terms.

The proposal for the 2020 CEO and Employee Warrant Program has been prepared by the Company's board of directors.

OVERVIEW OF MAIN TERMS OF THE 2020 CEO AND EMPLOYEE WARRANT PROGRAM

Grant

All CEO and Employee Warrants are granted 1 October 2020. The CEO and Employee Warrants are granted free of charge.

Exercise price/strike price

The volume weighted average share price of the Company's shares during the 10 trading days following the date of the extraordinary general meeting on 1 October 2020.



Press release
16 September, 2020

Vesting

The CEO and Employee Warrants vest annually in arrears on 1 October on a linear basis (contingent on continued employment at the relevant time of vesting (subject to customary good leaver and bad leaver exemptions)). The first 1/3 of the CEO and Employee Warrants vest 1 October 2021, the second 1/3 of the CEO and Employee Warrants vest 1 October 2022, and the last 1/3 of the CEO and Employee Warrants vest 1 October 2023. Accelerated vesting in case of a "Qualified Exit Event" .

"**Qualified Exit Event**" shall mean an exit where the consideration exceeds three (3) times the market value of the Company calculated as the volume weighted average share price of the Company's shares during the 10 trading days following the extraordinary general meeting on 1 October 2020.

Exercise Periods

3/5 of the CEO and Employee Warrants:

- The first third of the CEO and Employee Warrants vest on 1 October 2021 and can be exercised during the period 1 October 2021 - 1 October 2025.
- The second third of the CEO and Employee warrants vest on 1 October 2022 and can be exercised during the period 1 October 2022 - 1 October 2025.
- The last third of the CEO and Employee Warrants vest on 1 October 2023 and can be exercised during the period 1 October 2023 - 1 October 2025.

These warrants to the:

- CEO, are subject to the complete terms and conditions to be adopted by the extraordinary general meeting substantially in the form set out in schedule 3 ("**CEO Retainer Warrants**").
- Employees, are subject to the the complete terms and conditions to be adopted by the extraordinary general meeting substantially in the form set out in schedule 5 ("**Employee Retainer Warrants**").

The CEO and Employee Warrants which have vested can be exercised 4 times annually during a 3-weeks window starting from the publication of the Company' s full year, semi-annual or quarterly reports.

During an exercise window the warrant holder is entitled to exercise all or part of the vested Employee and CEO Warrants, however in no event less than 10% of the total number of warrants issued to the warrant holder.



Press release
16 September, 2020

2/5 of the CEO and Employee Warrants:

These warrants can be exercised (i) in a 3 weeks period running from 1 October 2030 - 22 October 2030 and (ii) in connection with a Qualified Exit Event.

These warrants to the:

- CEO, are subject to the complete terms and conditions to be adopted by the extraordinary general meeting substantially in the form set out in schedule 4 (“**CEO Event Warrants**”).
- Employees, are subject to the complete terms and conditions to be adopted by the extraordinary general meeting substantially in the form set out in schedule 6 (“**Employee Event Warrants**”).

CORPORATE LAW INFORMATION

It is proposed (i) to issue 1,286,026 warrants to the CEO and employees of the Company pursuant to section 167 of the Danish Companies Act (i.e. the CEO and Employee Warrants) each with a right to subscribe nominally DKK 0.0735 share and thus provides the right to subscribe in the aggregate minimum nominally DKK 0 and up to nominally DKK 94,522.911 new shares (the “**New CEO and Employee Shares**”) by cash contribution at a price calculated as the volume weighted average share price of the Company's shares during the 10 trading days following the date of the extraordinary general meeting on 1 October 2020, and (ii) to resolve the corresponding increase of the share capital of the Company.

The following terms shall apply in respect of the proposed issuance of the CEO and Employee Warrants:

- 1) The subscription of the CEO and Employee Warrants must be made no later than 29 October 2020 by signing a warrant agreement.
- 2) Furthermore, the CEO and Employee Warrants are subject to the terms and conditions for the warrants that will be adopted by the extraordinary general meeting substantially in the forms set out in schedules 3 - 6 to this notice (which schedules will be schedules to the Company’ s articles of association, enclosed in draft as schedule 1 to this notice).

It is proposed that the resolution to issue the CEO and Employee Warrants is inserted as a new section 4.4 in the articles of association as set out in the draft new articles of association enclosed as schedule 1 to this notice

The following terms shall apply in respect of the increase of the share capital of the Company in case of exercise of the CEO and Employee Warrants:

- 1) The New CEO and Employee Shares will be issued without pre-emption rights for the Company’s existing shareholders, and the pre-emption rights relating to the New CEO and Employee Shares will not be restricted in respect of future capital increases other than as provided for in the Company’s articles of association.



Press release
16 September, 2020

- 2) There are no restrictions on the transferability of the New CEO and Employee Shares.
- 3) No shareholder is obliged to have his or her New CEO and Employee Shares redeemed in full or in part.
- 4) The New CEO and Employee Shares will be issued through VP Securities A/S and will be admitted to trading and official listing on Spotlight Stock Market.
- 5) The New CEO and Employee Shares will be negotiable instruments.
- 6) The New CEO and Employee Shares will be issued in the name of the holder and must be registered in the Company's shareholders' register.
- 7) The New CEO and Employee Shares will each have a nominal value of DKK 0.0735.
- 8) Payment of the exercise price for the New CEO and Employee Shares must be made no later than in connection with the holder providing an exercise notice to the Company. Partial payment of the subscription amount is not permitted.
- 9) The New CEO and Employee Shares shall confer rights to dividend and other rights in the Company upon registration of the capital increase with the Danish Business Authority.
- 10) The expected costs in connection with the capital increase is paid by the Company and are estimated at DKK 125,000 exclusive VAT

INFORMATION RELATING TO THE EXTRAORDINARY GENERAL MEETING

Registration date

The registration date is 23 September 2020. Only those who are shareholders on this date have the right to participate in and vote at the general meeting.

Admission card

In order to attend the general meeting in person or electronically and thus to be able to vote at the general meeting, a shareholder must, no later than 3 days before the general meeting, request an admission card, cf. section 7.5 of the articles of association. Such request must be made to Carit Jacques Andersen, e-mail cja@scandiononcology.com. The request must be received no later than 28 September 2020, at 11.59 PM (CET).

A shareholder has also the possibility of requesting an admission card for a proxy holder that gives a physical meeting on behalf of the shareholder. The request must be made according to the above guidelines. The shareholder must fill in and sign the proxy and postal voting form, enclosed as schedule 7 and which also can be found on the Company's website www.scandiononcology.com. The proxy must bring the admission card and the original form at the general meeting.



Press release
16 September, 2020

Electronic participation

Electronic participation in the general meeting takes place through Microsoft Teams.

At the Company's homepage information is available on the procedure in connection with electronic participation in the general meeting.

For electronic participation, each shareholder is responsible for ensuring that the shareholder has a mobile phone or a desktop device with a web browser and that the shareholder has an adequate and functioning internet connection available at the time of the general meeting.

Nominee

To be entitled to participate in the general meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names in the share register. Such registration must be duly effected in the share register on 23 September 2020, and the shareholders must therefore advise their nominees well in advance of such date.

Majority requirements

The proposal set out under item 1 on the agenda shall be adopted by simple majority.

The proposals set out under items 3 and 4 on the agenda shall be adopted by special majority, i.e. 2/3 (two-thirds) of the votes cast as well as of all shares represented at the general meeting.

Questions

The shareholders have the right to ask questions in relation to the issues on the agenda to be discussed at the general meeting. The questions can be made in writing before the general meeting or at the general meeting. The answer will - with the limitations that follow from the legislation - if possible be made at the general meeting or be made available to the shareholders no later than two weeks after the general meeting.

COVID-19

Due to the COVID-19 situation, any shareholder showing any symptoms will be referred to participate electronically. Furthermore, the Danish authorities' measures may lead to shareholders being referred to participate electronically.

Material

All material mentioned in this notice can be obtained from Carit Jacques Andersen, e-mail cja@scandiononcology.com. The material will only be forwarded by e-mail, and thus the e-mail address must be specified.

**The Board of Directors of
SCANDION ONCOLOGY A/S**



Press release
16 September, 2020

For further information regarding Scandion Oncology, please contact:

Nils Brünner, CEO

Phone: +45 26 14 47 08

E-mail: nb@scandiononcology.com

Scandion Oncology A/S is a biotechnology company that addresses and tackles one of the greatest challenges in modern oncology - the effective treatment of cancer which contains chemotherapy-resistant cells or which has developed resistance to a previously prescribed cancer-fighting drug. In preclinical in vitro-studies SCO-101 restores chemotherapy sensitivity in resistant cancer cells. Moreover, in animal studies, the company's leading candidate drug, SCO-101, significantly enhances the efficacy of certain standard cancer treatments when given in combination. Scandion Oncology is now in clinical phase II trials with its lead compound, SCO-101, in patients with chemotherapy-resistant colorectal cancer. In addition to SCO-101 the Company has two other drug candidates, SCO-201 and SCO-301. Scandion Oncology was listed on Spotlight Stock Market, Sweden in November 2018.