



Press release

Cantargia AB
556791-6019
27 April 2021

Notice of annual general meeting in Cantargia AB (publ)

The shareholders of Cantargia AB (publ) are invited to the annual general meeting on Wednesday, 26 May 2021. In light of the corona virus, the meeting is conducted through advance voting pursuant to temporary regulations. Therefore, it will not be possible to attend the meeting in person or by proxy.

Notification of participation, etc.

A shareholder who would like to participate in the meeting must (i) be entered in the register of shareholders maintained by Euroclear Sweden AB by Tuesday, 18 May 2021, and (ii) announce their participation no later than Tuesday, 25 May 2021, by having submitted an advance voting form in accordance with the instructions in the section "Advance voting" below such that the company has received the advance vote no later than this date.

In order to be entitled to participate in the meeting, shareholders who have registered their shares in the name of a nominee must, in addition to announcing their intention to participate in the meeting, request that their shares be registered in their own name so the shareholder is entered into the register of shareholders by 18 May 2021. This registration may be temporary (so-called voting right registration) and is requested with the nominee in accordance with the nominee's procedures and in advance as determined by the nominee. Voting right registrations completed no later than the second business day following 18 May 2021, are considered when preparing the register of shareholders.

Advance voting

The shareholders may exercise their voting rights at the meeting only by voting in advance, so called postal voting in accordance with Section 22 of the 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 advance voting. The form is available at www.cantargia.com. The advance voting form is considered as the notification of participation at the meeting. The completed voting form must be received by the company no later than Tuesday, 25 May 2021. The completed form shall be sent to Cantargia AB (publ), Scheelevägen 27, SE-223 63 Lund, Sweden. The completed form may, alternatively, be submitted electronically to info@cantargia.com. If the shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

Proposed agenda:

1. Election of chairman of the meeting
2. Election of one or two persons to verify the minutes
3. Preparation and approval of voting list
4. Approval of the agenda
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual report and auditor's report
7. Resolutions
 - a) on the adoption of the income statement and the balance sheet
 - b) on the disposition of the company's results as per the adopted balance sheet
 - c) on discharge from liability of the members of the board of directors and the CEO
8. Determination of the number of members of the board of directors and auditors
9. Determination of fees to be paid to the board of directors and auditor
10. Election of the members of the board of directors and auditor
 - a) Re-election of Magnus Persson as board member
 - b) Re-election of Patricia Delaite as board member
 - c) Re-election of Thoas Fioretos as board member
 - d) Re-election of Karin Leandersson as board member
 - e) Re-election of Anders Martin-Löf as board member
 - f) Re-election of Flavia Borellini as board member

- g) Election of Magnus Nilsson as new board member
- h) Election of Damian Marron as new board member
- i) Re-election of Magnus Persson as chairman of the board
- j) Re-election of Öhrlings PricewaterhouseCoopers AB as auditor

11. Resolution on the nomination committee

12. Presentation of the board of directors' remuneration report for approval

13. The board of directors' proposal regarding implementation of a long term share based incentive scheme

14. The board of directors' proposal regarding implementation of a long term employee option program

15. The board of directors' proposed resolution on share issue authorization

Persons to verify the minutes (item 2)

Marcus Järås and Kjell Sjöström or, to the extent both or any of them are prevented, the person or persons assigned by the board, are proposed as persons to approve the minutes. The assignment for the persons to approve the minutes includes verifying the voting list and confirming that advance votes received are correctly reflected in the minutes of the meeting.

Voting list (item 3)

The voting list proposed for approval under item 3 on the agenda is the voting list prepared by the company, based on the shareholders' register and advance votes received, and verified by the persons elected to verify the minutes.

Disposition of the company's results (item 7 b)

The board proposes that no dividend shall be distributed, and that the company's accumulated results shall be carried forward.

The nomination committee's proposal (items 1 and 8 - 10)

The nomination committee, consisting of Marianne Nilsson (Swedbank Robur Fonder), chairman, Jannis Kitsakis (Fourth Swedish National Pension Fund), Mikael Wiberg (Alecta Pensionsförsäkring, Ömsesidigt) and Magnus Persson, chairman of the board, proposes the following:

- that attorney-at-law Erik Sjöman or, to the extent he is prevented, the person assigned by the board, is elected chairman of the annual general meeting;
- that the board of directors shall consist of eight members with no deputies;
- that the remuneration to the members of the board, including remuneration for the work performed on the board's committees, shall amount to SEK 2,300,000 in total, of which SEK 550,000 shall be distributed to the chairman of the board and SEK 250,000 shall be distributed to each of the other board members. As remuneration for committee work it is proposed that SEK 95,000 shall be distributed to the chairman of the audit committee and SEK 40,000 to each of the other two members of the committee, SEK 40,000 shall be distributed to the chairman of the remuneration committee and SEK 20,000 to each of the other two members of the committee. SEK 230,000 shall be distributed to the chairman of the Drug Development Committee and SEK 50,000 shall be distributed to each of the other three members of the committee. In addition, SEK 20,000 shall be distributed to each member residing outside the Nordic region for each physical board meeting (however, not more than six meetings) held in Sweden, attended by such member;
- that the board members Magnus Persson, Patricia Delaite, Thoas Fioretos, Karin Leandersson, Anders Martin-Löf and Flavia Borellini are re-elected and that Magnus Nilsson and Damian Marron are elected as new members of the board. Claus Asbjørn Andersson has declined re-election.
- that Magnus Persson is re-elected chairman of the board;
- that the company shall have one auditor with no deputies;
- that remuneration to the auditor shall be paid in accordance with approved invoices; and
- that Öhrlings PricewaterhouseCoopers AB is re-elected as the company's auditor (Ola Bjärehäll is intended to serve as auditor-in-charge).

The proposal regarding the auditor is in accordance with the audit committee's recommendation.

Magnus Nilsson

Magnus Nilsson is Senior Advisor R&D to XVIVO Perfusion since 2020 and served before that as CEO and president since 2011. He has also served as CEO and president of Vitrolife and has held different positions as Project Manager in Pharmacia & Upjohn, Pharmacia and Karo Bio. Furthermore, Nilsson has founded and served as CEO for Xvivo Transplantation Systems. Nilsson has published several scientific articles. Magnus Nilsson has a Degree of Doctor of Medical Science (Ph. D) from Uppsala University.

Damian Marron

Damian Marron has vast experience of serving as board member and CEO in the life science industry. He is currently chairman of the board of Targovax ASA, Imophoron Ltd, Cytoseek Ltd, member of the board of Bone Therapeutics and

Resolys Bio and Head of Biopharma at Treehill Partners. Before that, Marron served as CEO of Agalimmune Ltd. Furthermore, he has served as CEO of TxCell SA, Cytheris SA och Trophos SA. Additionally, Marron has previously held positions as Executive VP Corporate Development at NicOx SA, Head of European Business Development at 3M Health Care and UK Business Manager at Orphan Europe. Marron has a BSc (Hons) in Pharmacology from University of Liverpool.

Nomination committee (item 11)

The nomination committee proposes that the annual general meeting resolves:

- to instruct the chairman of the board to convene a nomination committee, based on the ownership structure in the company as per the end of September 2021, consisting of one member appointed by each of the three largest shareholders of the company as well as the chairman of the board,
- that the nomination committee's period of mandate shall extend until a new nomination committee is appointed,
- that in the event any of the three largest shareholders refrain from its right to appoint a member of the nomination committee, this right shall be vested in the shareholder that, after these three shareholders, has the largest shareholding,
- that the chairman of the nomination committee shall, unless otherwise resolved by the nomination committee, be the member appointed by the shareholder with the largest shareholding,
- that in the event any of the shareholders that have appointed a member of the nomination committee sells a non-negligible portion of its shareholding during the nomination committee's period of mandate, or for other reason ceases to be a major shareholder entitled to appoint a member of the nomination committee, the member appointed by that shareholder shall resign from the nomination committee. Such member shall, if deemed appropriate by the nomination committee, be replaced by a member appointed by the shareholder who instead qualifies as one of the three largest shareholders of the company,
- that in the event a member no longer represents the shareholder that he was appointed by, or if the member for other reasons resigns from the nomination committee before its work has been completed, the shareholder shall be given the opportunity to appoint a new member of the nomination committee,
- that the nomination committee shall fulfil the duties incumbent upon it under the Swedish Corporate Governance Code,
- that no remuneration shall be paid to the members of the nomination committee, and
- that any expenses for the nomination committee's work shall be assumed by the company.

Share based incentive scheme (item 13)

The board of directors proposes that the annual general meeting resolves to adopt a long-term variable share-based incentive scheme for senior executives and key personnel within the company. The proposal is based on the incentive schemes that were adopted by the 2019 and 2020 annual general meetings. It has been initiated by Cantargia's board of directors and has been designed in collaboration with external advisors and prepared by the remuneration committee and examined at board meetings.

Purpose and scope of the scheme

In order 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 acquisition of shares of the company (the "Scheme"). The Scheme is a variable long-term remuneration scheme under which the participants commit to use distributed variable cash remuneration to acquire shares in the company. The participants will acquire the shares on the stock market. The Scheme applies in addition to any variable remuneration in accordance with the remuneration guidelines adopted at the 2020 annual general meeting. It is intended that the Scheme shall recur annually.

The maximum pay-out to each Scheme participant for 2021 is capped at 10 per cent of the participant's base cash salary. The total size of the Scheme for 2021 is capped at SEK 1,800,000, excluding social security contributions. In case of partial target achievement, a portion of the maximum amount will be distributed.

Performance requirements and target achievement

The Scheme is based on the annual bonus target or targets set up by the company's board of directors and that refer to the company's activities, financial key performance indicators and internal processes. The resolution on the annual amount available under the Scheme will be integrated in the annual evaluation process for the total variable remuneration in order to link annual performances to long-term targets, to increase employee shareholding in Cantargia and to retain competent staff at 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 portion of the group bonus for acquisition of shares under the Scheme, the employee must be a permanent employee. In addition, the employee must have been employed by the company for at

least one year. A draft resolution on which employees that will be subject to the Scheme will be drawn up by the remuneration committee in consultation with the CEO. The board of directors will resolve upon which employees that will be subject to the Scheme.

Distribution and acquisition of Cantargia share

When the target achievement has been determined by the company's board of directors, the amount will be distributed to each participant in the Scheme within four weeks of the adoption of the annual report. The acquisition of shares by the participant shall be made as soon as possible after the distribution from the company. In the event the participant is prevented from acquiring shares of the company, due to for example applicable market abuse regulations, the company's board of directors may permit that the acquisition of shares under the Scheme takes place at a later stage.

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

The company will pay social-security contributions on variable remuneration distributed under the Scheme. However, the remuneration distributed under the Scheme will not entitle to pension contributions or holiday pay in addition to what is provided 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 for other reasons will be required to continue to hold shares acquired in accordance with the provisions of the Scheme.

In the event a participant violates the terms of the Scheme, for example by failing to provide information on the status of its shareholding, the company may require that the participant sells all shares acquired under the Scheme, whereby the gross amount received by the participant through the sale shall be reimbursed to the company. In the event the participant sells shares in breach of the terms of the Scheme, the participant is required to pay a penalty to the company corresponding to the gross amount that the employee has received through the sale of the shares.

Principles for annual variable remuneration and the Scheme

When designing the annual variable remuneration and the Scheme, the board of directors shall consider introducing conditions which:

- disqualify a person from future participation in variable or long-term remuneration schemes, if that person sells shares in breach of the provisions of the Scheme;
- make the distribution of a certain portion of such remuneration contingent on that the performance, on which the remuneration is based, proves to be sustainable over time;
- give the company the right to reclaim remuneration which has been distributed based on information which subsequently has proved to be manifestly incorrect; and
- stipulate that distribution to a participant shall be entirely or partially delayed, reduced or cancelled if the payment, in the view of the board of directors, is considered inappropriate with regards to the company's results, position or liquidity situation.

Employee option program (item 14)

The board of directors proposes that the annual general meeting resolves to implement a long term incentive program for employees in the company (the "Employee Option Program 2021/2024" or the "Program") in accordance with the below.

The reasons for the implementation of Employee Option Program 2021/2024 are to be able to create possibilities for the company to retain competent personnel through offering a long-term incentive program. Such engagement is expected to stimulate the personnel to an increased level of interest in the business and development of the company and increase the feeling of connectedness with the company.

A) *Implementation of Employee Option Program 2021/2024*

The board of directors proposes that the annual general meeting resolves to implement Employee Option Program 2021/2024 in accordance with the following substantial terms and conditions.

The Employee Option Program 2021/2024 shall consist of not more than 3,000,000 employee options.

Each employee option confers the holder a right to subscribe for one new share in the company against cash consideration at a strike price corresponding to 150 percent of the volume weighted average price of the company's share during the ten trading days preceding the date the employee options are allotted. The strike price and the number of shares that each employee option confers right to may be subject to recalculation in the event of a bonus issue, share split, new issue or similar.

The employee options under the Program shall be offered to employees or consultants of the company. The size of the individual allotment will be determined by a value-based method which takes the theoretical value of the employee options into consideration. The allotment of employee options under the Program shall be made no later than the day falling three years after the annual general meeting 2021 (each such day of allotment being a "Grant Date") in accordance with the following guidelines:

- a) CEO, a maximum of 500,000 options
- b) Other senior executives (approximately 7 individuals), a maximum of 1,300,000 options, in aggregate
- c) Other employees or consultants (approximately 28 individuals), a maximum of 1,200,000 options, in aggregate

All allotted employee options shall vest on the day occurring three years after the Grant Date.

In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting Cantargia, the employee options will vest in their entirety upon completion of such transaction.

Furthermore, vesting requires that the participant is still employed by or otherwise engaged with the company and that the participant has not given notice or terminated the employment or engagement as of the date when the vesting occurs. If a participant ceases to be employed or gives notice or terminates the employment or engagement before the vesting date, the allotted employee options cease. However, the board shall be entitled to admit exceptions in certain situations (so-called good leaver situations, e.g. a person's employment or engagement ceases in connection with circumstances which, according to the board, motivate continued vesting. Such circumstances are e.g. employment or engagement ceasing due to retirement pension, death or lasting working inability due to accident or disease).

The employee options shall be allotted without consideration. The employee options shall not constitute securities and shall not be able to be transferred or pledged. However, in the event of an option holder's death, the rights constituted by the employee options shall accrue to the holder's estate.

Vested employee options may be utilized during a two-year period.

Participation in the Employee Option Program 2021/2024 requires that such participation is in accordance with applicable laws, as well as that such participation can be executed with reasonable administrative costs and financial efforts according to the company's assessment.

The employee options shall be governed by separate agreements with each participant. The board shall be responsible for the preparation and management of the Employee Option Program 2021/2024 within the above mentioned substantial terms and conditions.

Other information regarding Employee Option Program 2021/2024

In case all warrants issued within the Program are utilized for subscription of new shares, a total of 3,000,000 new shares will be issued, which corresponds to a dilution of approximately 2.9 percent of the company's share capital and votes. Assuming also full utilization of the 1,900,000 warrants issued by the 2020 annual general meeting the aggregate dilution amounts to approximately 4.7 percent.

The board of directors assesses that Employee Option Program 2021/2024 will trigger costs in the form of accounting costs and social security contributions.

Based on the assumption that all options under the Program vest, the estimated total accounting costs for the options will amount to approximately MSEK 29,8 during the time period 2021-2024, based on the actual value of the options at the start of the program. The options do not have a market value since they are not transferable. However, the board has calculated a theoretical value of the options in accordance with the Black & Scholes formula. The calculations have been

based on an assumed share price of SEK 32 per share and an assumed volatility of 50 percent. In accordance with this valuation, the value of the options in the Employee Option Program 2021/2024 is approximately SEK 9.93 per option. The limitations of the disposal rights have not been taken into consideration in the valuation.

The total costs for social security contributions during the vesting period will depend on the value of the benefit that the participant finally will receive, i.e. on the value of the option upon utilization. Based on the assumption that all options under the Program vest and an assumed share price of SEK 64 at the time of utilization, the total costs for social security contributions will amount to approximately MSEK 15.1.

All calculations above are preliminary only and are only intended to provide an illustration of what costs the Program may induce. Actual costs may therefore deviate from what has been stated above.

The proposal of the Employee Option Program 2021/2024 has been prepared by the board and the remuneration committee together with external consultants.

B) Directed issue and approval of transfer of warrants

In order to enable the company's delivery of shares under Employee Option Program 2021/2024, the board proposes that the annual general meeting resolves on a directed issue of warrants as well as on an approval of transfer of warrants, in accordance with the below.

The board proposes that the annual general meeting resolves to issue not more than 3,000,000 warrants. The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only fall upon the company (i.e. Cantargia AB (publ)) or a wholly-owned subsidiary of the company. Subscription shall be made no later than 1 July 2021 and the warrants shall be issued free of charge. The reason for the deviation from the shareholders' pre-emptive rights is the implementation of Employee Option Program 2021/2024.

Each warrant confers right to subscribe for one new share in the company against cash consideration under the period from and including the registration of the warrants with the Swedish Companies Registration Office (Sw. Bolagsverket) up to and including 30 July 2029. The subscription price shall correspond to the quota value of the Cantargia share.

The board further proposes that the annual general meeting resolves to approve that the company, directly or indirectly, may transfer warrants and/or shares to the participants in the Program without consideration in connection with utilization of the employee options in accordance with the terms conditions set out in section A) above, or in another way dispose of the warrants in order to be able to secure the company's commitments and costs in relation to the Employee Option Program 2021/2024.

A valid resolution regarding directed issue and approval of transfer of warrants in accordance with the above requires that the resolution is supported by shareholders holding not less than nine-tenths of both the shares voted and the shares represented at the general meeting.

C) Equity swap agreement with a third party

Should the majority requirement for item 14b above not be met, the board proposes that the annual general meeting resolves that Employee Option Program 2021/2024 shall instead be hedged so that the company can enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares of Cantargia to the participants.

Share issue authorization (item 15)

The board of directors proposes that the annual general meeting resolves to authorize to the board, up and until the next annual general meeting, on one or several occasions and with or without pre-emptive rights for shareholders, to resolve on the issue of new shares, provided that such issue or issues may not comprise a total of more than 10 per cent of the number of outstanding shares in the company as per the day of the annual general meeting. It shall also be possible to make such an issue resolution stipulating in-kind payment, the right to offset debt or other conditions.

The purpose of the authorization is to raise working capital for the company. If the board resolves on a share issue with deviation from the shareholders' pre-emptive rights, the reason therefor shall be to raise working capital for the company, to provide new shareholders of strategic importance to the company or to acquire other companies or businesses.

Number of shares and votes

As per the date of this notice, there are 100,192,737 outstanding shares and votes in the company. The company holds no treasury shares.

Questions and shareholders' right to request information

If any shareholder should so request and the board of the company assesses that this can be done without significant damage to the company, the board and the CEO of the company shall provide information at the meeting about conditions that could affect the assessment of items on the agenda or the company's financial situation. A request for such information shall be made by e-mail to info@cantargia.com or by mail to Cantargia AB (publ), Scheelevägen 27, SE-223 63 Lund, Sweden no later than Sunday, 16 May 2021. The information is provided by being made available at the company's offices and the company's website, www.cantargia.com, no later than Friday, 21 May 2021. Furthermore, the information will be sent within the same time period to the shareholder who so request and provide its postal address.

Available documentation and proxy forms

The annual report, the board of directors' remuneration report and complete decision material will be presented by being made available at the company's offices and the company's website, www.cantargia.com, no later than three weeks before the meeting and will be sent free of charge to all shareholders who so request and provide their postal address. The shareholders' register for the meeting is also made available at the company. Proxy form for shareholders who wish to vote in advance by proxy is available on the company's website and will be sent free of charge to all shareholders who so request and provide their postal address.

Processing of personal data

For information about the processing of your personal data, please refer to <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammar-engelska.pdf>. Cantargia's AB (publ) corporate registration number is 556791-6019 and its registered office is in Lund, Sweden.

Lund, April 2021
Cantargia AB (publ)
The board of directors

For further information, please contact

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About Cantargia

Cantargia AB (publ), reg. no. 556791-6019, is a biotechnology company that develops antibody-based treatments for life-threatening diseases. The basis for this is the protein IL1RAP that is involved in a number of diseases and where Cantargia has established a platform. The main project, the antibody CAN04, is being studied clinically as combination therapy with chemotherapy or immune therapy with a primary focus on non-small cell lung cancer and pancreatic cancer. Positive interim data from the combination with chemotherapy show a higher response rate than would be expected from chemotherapy alone. Cantargia's second project, the antibody CAN10, addresses treatment of serious autoimmune/inflammatory diseases, with initial focus on systemic sclerosis and myocarditis.

Cantargia is listed on Nasdaq Stockholm (ticker: CANTA). More information about Cantargia is available at www.cantargia.com.

About CAN04

The antibody CAN04 binds strongly to the target IL1RAP and functions both through ADCC as well as blocking IL-1 α and IL-1 β signaling. Thereby, CAN04 can counteract the contribution of the IL-1 system to the immune suppressive tumor microenvironment and development of resistance to chemotherapy. CAN04 is investigated in two clinical trials. In the first phase I/Ia-study, CANFOUR, first line combination therapy is investigated using two different standard chemotherapies in 31 patients with NSCLC (gemcitabine/cisplatin) and 31 patients with PDAC (gemcitabine/nab-paclitaxel), as well as monotherapy in late stage patients (<https://clinicaltrials.gov/ct2/show/NCT03267316>). Phase I monotherapy data from 22 patients were presented at ASCO 2019 and showed good safety with infusion related reaction being the most common side effect. In addition, the biomarkers IL6 and CRP decreased during treatment. Positive interim data from the combination arms was presented during H2 2020 and showed a higher response rate than expected from chemotherapy alone. A phase I study investigating CAN04 in combination with an immune checkpoint inhibitor started H2 2020 (<https://clinicaltrials.gov/ct2/show/NCT04452214>). Additional clinical combination studies are planned to start during 2021.