

Cortendo Announces Notice of Extraordinary General Meeting

October 30, 2014 -- Radnor, Penn., U.S. and Göteborg, Sweden -- [Cortendo AB](#) [ticker: CORT on NOTC-A], a global biopharmaceutical company focused on orphan endocrine disorders, announces that an Extraordinary General Meeting will be held on Monday December 1, 2014, in Göteborg, Sweden.

Notice of Extraordinary General Meeting in Cortendo AB (publ)

Cortendo AB (publ) will hold an Extraordinary General Meeting on Monday, December 1, 2014, at 11:00 a.m. CET, at Wistrand Advokatbyrå, Lilla Bommen 1, SE-411 04 Göteborg, floor 18.

Right to attend and notification

Shareholders who are registered as shareholders in the share register maintained by Euroclear Sweden AB on the record date, Tuesday, November 25, 2014, and who have notified the company of their participation in the meeting no later than Tuesday, November 25, 2014, are entitled to attend the meeting. Notification shall be made by mail to Cortendo AB (publ), att. Jennie Blomquist, P.O. Box 47, SE-433 21 Partille or by e-mail to jennie.blomquist@cortendo.com. The notification shall state name, personal identification number or corporate registration number, address and telephone number. Proxies, certificates of registration and other authorization documents must be available at the meeting, and should, to facilitate entrance to the meeting, be sent to the company no later than November 25, 2014. Proxies must be provided in original at the meeting.

Those whose shares are nominee registered, must, through the nominee, temporarily re-register their shares in their own names in the share register maintained by Euroclear Sweden AB, in order to be entitled to attend the meeting. For such registration to be duly effectuated by Tuesday, November 25, 2014, shareholders should contact their banks or nominees well in advance of that date.

Shareholders who are registered in the Norwegian Verdirpapisentralen must temporarily request to be entered as shareholders in the share register maintain by Euroclear Sweden AB in order to be entitled to attend the meeting. Shareholders must notify DNB Bank ASA regarding this on the address DNB Bank ASA Registrars Dept., P.O. Box 1600 Sentrum, 0021 Oslo or by fax (+47) 24 05 02 56 or via e-mail to vote@dnb.no no later than 12.00 a.m. CET on November 18, 2014 in order for DNB Bank ASA to be able to make sure that the entering into the share register maintain by Euroclear Sweden AB is effectuated by November 25, 2014, when such entering must be effectuated.

The Board of Directors' proposal on agenda:

1. Opening of meeting
2. Election of meeting chairman
3. Establishment and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes

6. Resolution that the meeting has been duly convened
7. Resolution to amend the articles of association
8. Resolution on new share issue
9. Resolution on authorization for the Board of Directors to issue new shares
10. Resolution on election of new Board member
11. Resolution on directed issue of warrants as well as approval of transfer of warrants

Proposal on resolutions

Item 7

For the purpose of enabling future new issues of shares in the company, the Board of Directors proposes that the general meeting resolves to amend the articles of association according to the following (amendments in italic).

Current wording	Proposed wording
§ 4	§ 4
The company's share capital shall be not less than SEK 25,000,000 and not more than SEK 100,000,000.	The company's share capital shall be not less than SEK <i>43,750,000</i> and not more than SEK <i>175,000,000</i> .
§ 5	§ 5
The number of shares in the company shall be not less than 25,000,000 shares and not more than 100,000,000 shares.	The number of shares in the company shall be not less than <i>43,750,000</i> shares and not more than <i>175,000,000</i> shares.

The Board of Directors, or anyone appointed by the Board of Directors, shall be authorized to make such minor adjustments of the general meeting's resolution as may prove required in connection with the registration with the Swedish Companies Registration Office.

Item 8

The Board of Directors proposes that the general meeting resolves to increase the company's share capital by not more than SEK 19,315,000 through the issuance of not more than 19,315,000 new shares. The right to subscribe for the new shares shall, with disapplication of the shareholders' preemptive rights, be granted HealthCap VI L.P with not more than 12,500,000 shares, Tredje AP-fonden with not more than 4,600,000 shares, Arctic Funds PLC with not more than 415,000 shares, Verdipapirfondet Storebrand Optima with not more than 800,000 shares, Storebrand Norge with not more than 800,000 shares and Storebrand Vekst with not more than 200,000 shares. Over-subscription cannot occur. Subscription for the new shares shall be made on a separate subscription list no later than 1 December 2014, or such later date as the Board of Directors may decide. The subscription price shall be SEK 4.22 per share to be paid in cash no later than on 3 December 2014, or such later date as the Board of Directors may decide. The new shares shall entitle to dividend as from the first record date for dividend that occurs after the registration of the share issue with the Swedish Companies Registration Office. The Board of Directors, or anyone appointed by the Board of

Directors, shall be authorized to make such minor adjustments of the above resolution as may prove necessary in connection with the registration with the Swedish Companies Registration Office or Euroclear Sweden AB.

The purpose of the new share issue and the reasons for the disapplication of the shareholders' pre-emptive right, are to raise working capital in addition to what can be obtained from the existing shareholders, thereby strengthening the company's liquidity and financial position, and at the same time broaden the institutional/long term ownership in the company. The subscription price has been determined through negotiations with HealthCap and the Board of Directors deem that, considering the prevailing market conditions, the size of the issue and the time factor, the new share issue is carried out on market terms. The new shares will result in a dilution of approximately not more than 18.1 percent to the existing share capital.

The new share issue requires that the company's articles of association are amended.

Item 9

The Board of Directors proposes that the general meeting resolves to authorize the Board of Directors to, up until the next Annual General Meeting, on one or more occasions, resolve to issue new shares with disapplication of the shareholders' pre-emptive rights. Such resolution to issue new shares may be made with application of payment in kind, payment by set-off or other terms. The number of shares that may be issued shall not exceed 25,500,000 shares in aggregate.

The purpose of the authorization is to raise capital in order to increase the company's financial flexibility as well as further strengthening the long-term institutional ownership in the company.

The Board of Directors' authorization shall be subject to the following specific conditions;

- All 25,500,000 new shares comprised by the authorization shall be issued with disapplication of the shareholders' pre-emptive rights.
- Of the total number of shares, 5,000,000 shares shall be reserved for and offered to HealthCap VI L.P. ("HealthCap"), however, in the event HealthCap, due to an agreement with the company or otherwise is not entitled to subscribe for all of these 5,000,000 shares, or for other reasons chooses to subscribe for a lower number of shares, the Board of Directors shall be free to allot the shares not subscribed for by HealthCap to other investors.

The Board of Directors, or anyone appointed by the Board of Directors, shall be authorized to make such minor adjustments of the general meeting's resolutions as may prove required in connection with the registration with the Swedish Companies Registration Office.

Item 10

Shareholder representing in aggregate approximately 6.2 percent of the shares and votes in the company proposes that the Board of Directors shall comprise seven Board members and one deputy member, that the general meeting appoints Mårten Steen as new Board member of the company for the period until the end of the next Annual General Meeting and that remuneration to Mårten Steen is paid in accordance with the resolution by the annual general meeting 2014, in proportion to the time from the date of the Extraordinary General Meeting until the Annual General Meeting 2015.

Item 11

The Board of Directors proposes that the general meeting resolves to establish an incentive program for the management in the company in accordance with the agreements with the management. The Board of Directors' proposal mainly entails the following. The Board of Directors proposes that the general meeting resolves to issue warrants in several different series to the Board member Joseph Mahady as well as to the company's subsidiary Cortendo Invest AB, whereupon the warrants shall be transferred to the management of the company in tranches, provided that the respective manager is still active in the company at the time of the transfer. Since the agreed terms differs in respect of different managers, several series of warrants are issued. In respect of each series of warrants, the following main terms shall apply. The warrants shall be issued at no consideration. Subscription of the warrants shall be made no later than December 19, 2014. Each warrant shall entitle the holder to subscribe for one new share in the company. Share issued as a result of exercising of warrant before the record date for dividend in connection with an Annual General Meeting, held a certain financial year, shall entitle to dividend in respect of the previous financial year. Share issued as a result of exercising of warrant after the record date for dividend in connection with an Annual General Meeting, held a certain financial year, shall entitle to dividend in respect of that financial year. The total number of warrants that each manager is entitled to as a maximum, the subscription price per share to be paid upon exercising the warrants, which warrants to be subscribed for directly by the receiver and which warrants to be subscribed for by the subsidiary for subsequent transfer, as well as the last day for exercising the warrants is shown below (divided based on the respective manager). The warrants are intended to entitle to subscription as of the date of issue.

Person	Number of warrants	Strike price	Duration
Joseph Mahady (direct)	30,000	SEK 6.51	2019-07-01
Anthony DelConte (via the subsidiary)	80,000	SEK 6.58	2019-04-30
Anthony DelConte (via the subsidiary)	35,000	SEK 8.77	2019-04-30
James W. Ellis (via the subsidiary)	25,000	SEK 6.58	2019-07-16
James W. Ellis (via the subsidiary)	25,000	SEK 8.77	2019-07-16
Matthew Pauls (via the subsidiary)	800,000	SEK 6.80	2019-08-31
Matthew Pauls (via the subsidiary)	800,000	SEK 9.07	2019-08-31
Matthew Pauls (via the subsidiary)	900,000	SEK 11.33	2019-08-31
Robert Lutz (via the subsidiary)	350,000	SEK 6.71	2019-10-01
Robert Lutz (via the subsidiary)	350,000	SEK 8.95	2019-10-01
Robert Lutz (via the subsidiary)	400,000	SEK 11.19	2019-10-01

The above number of warrants represents the maximum number each respective managers may acquire. The proposal entails that 3,795,000 warrants are issued in aggregate. At full subscription of the warrants, the company's share capital will be increased by SEK 3,795,000.

The reasons for the disapplication of the shareholders pre-emptive rights are that the company wishes to establish an incentive program for the management within the group, whereby they are offered the possibility to take part of an increase in the value of the company's share. This is expected to result in an increase in the interest in the company's development as well as the company's share price development and stimulation of continued company loyalty in the upcoming years.

The Board of Directors further proposes that the general meeting resolves to approve that Cortendo Invest AB, on one or more occasions, may transfer warrants to the management in accordance with the above.

The Board of Directors, or anyone appointed by the Board of Directors, shall be authorized to make such minor adjustments of the general meeting's resolutions as may prove required in connection with the registration with the Swedish Companies Registration Office.

Majority requirements

Resolutions by the general meeting in accordance with the Board of Directors' proposals under items 7-9 above, are valid only where supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the general meeting. A resolution by the general meeting in accordance with the Board of Directors' proposals under item 11 above, is valid only where supported by shareholders holding not less than nine-tenths of both the votes cast and of the shares represented at the general meeting.

Documents

The articles of association, in the proposed wording under item 7 above, as well as complete proposals under items 8, 9 and 11 will be available at the company on the above address no later than two weeks before the meeting. The documents will be sent free of charge to those shareholders who so request and state their address.

The formal notice of the Extraordinary General Meeting in the Swedish language will be available on the company's website, www.cortendo.com in the investor section under heading "Press releases".

About Cortendo AB

Cortendo AB is a global biopharmaceutical company incorporated in Sweden and based in the United States. The Company's strategic focus is to be the global leader in commercializing innovative medicines for orphan endocrine disorders. Cortendo is leading the way in the field of cortisol inhibition through the investigational drug, COR-003 (levoketoconazole) currently being studied in the Phase 3 global SONICS trial for the treatment of Cushing's syndrome. The company's intent is to independently commercialize its Orphan/Endocrine assets in key global markets, and partner non-strategic product opportunities, such as diabetes, at relevant development stages.

Cortendo's lead drug candidate, is being evaluated in a global Phase 3 trial for treatment of Cushing's syndrome. COR-003 (levoketoconazole) has received orphan designation from both the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA).

Risk and Uncertainty

The development of pharmaceuticals carries significant risk. Failure may occur at any stage during development and commercialization due to safety or clinical efficacy issues. Delays may occur due to requirements from regulatory authorities, difficulties in recruiting patients into clinical trials due to physician or patient preferences or competing products, not anticipated by the company. There is no assurance that Cortendo will receive marketing and regulatory approvals necessary to commercialize or produce COR-003 (levoketoconazole) or other products. Regulatory approvals may be denied, delayed, limited or revoked.

The commercial success of COR-003 (levoketoconazole), if approved in a territory, cannot be predicted with certainty. In addition, Cortendo may face the risk of interrupted supply of COR-003 for clinical or commercial use from the subcontractors Cortendo has contracted.

Cortendo Forward-Looking Statements

This press release contains forward-looking statements concerning Cortendo that involve a number of risks and uncertainties. All statements other than statements of historical facts included in this press release, including, without limitation, statements regarding the Company's future financial position, strategy, anticipated investments, costs and results, plans, projects to enhance efficiency, outcomes of products development, future capital expenditures, liquidity requirements and objectives of management for future operations, may be deemed to be forward looking statements. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward looking statements. Given these risks and uncertainties, investors should not place any undue reliance on forward-looking statements as a prediction of actual results. None of these forward-looking statements constitutes a guarantee of the future occurrence of such facts and data or of actual results. These statements are based on data, assumptions and estimates that the Company believes are reasonable. The forward-looking statements contained in this document are made only as of the date hereof. The Company expressly disclaims any obligation or undertaking to release publicly any updates of any forward-looking statements contained in this press release to reflect any change in its actual results, assumptions, expectations or any change in events, factors, conditions or circumstances on which any forward looking statement contained in this press release is based.

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