



## **Cortendo Announces Notice of Annual General Meeting**

**May 22, 2015 -- Treviso, Pa., USA and Göteborg, Sweden -- [Cortendo AB](#)** [ticker: CORT on NOTC-A], a biopharmaceutical company focused on rare endocrine disorders and other rare diseases, today announced that the Annual General Meeting will be held on Thursday, June 25, 2015, in Stockholm, Sweden.

### **Notice of Annual General Meeting in Cortendo AB (publ)**

**The shareholders in Cortendo AB (publ), corp. id. no. 556537-6554, (the "Company"), are invited to participate in the Annual General Meeting of shareholders to be held on Thursday, June 25, 2015, 15:00 CET at Mannheimer Swartling Advokatbyrå, Norrlandsgatan 21, SE-111 43 Stockholm.**

#### **Right to attend and notification**

Shareholders who are registered as shareholders in the share register maintained by Euroclear Sweden AB on the record date, Thursday, June 18, 2015, and who have notified the Company of their participation in the meeting no later than Thursday, June 18, 2015, 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](mailto:jennie.blomquist@cortendo.com). The notification shall state name, personal identification number or corporate registration number, address and telephone number. Power of attorneys, 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 Thursday, June 18, 2015. Power of attorneys must be provided in original at the meeting. Forms of power of attorney in Swedish and English are available on the Company's website [www.cortendo.com](http://www.cortendo.com).

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 Thursday, June 18, 2015, shareholders should contact their banks or nominees well in advance of that date.

Shareholders who are registered in the Norwegian Verdipapirsentralen must, in order to be allowed to participate in the meeting, be temporarily registered as shareholders in the register held by Euroclear Sweden AB. Such shareholders must notify DNB Bank ASA thereof on the address DNB Bank ASA, Registrars Dept, PO Box 1600 Sentrum, 0021 Oslo or by telefax (+47) 24050256 or by e-mail to [vote@dnb.no](mailto:vote@dnb.no) no later than Tuesday, June 16, 2015 at 12:00 CET in order for DNB Bank ASA to make sure that the shareholder is registered in the shareholders' register held by Euroclear Sweden AB on the record date Thursday, June 18, 2015.

## **Agenda**

### Proposed agenda of the meeting

1. Opening of the meeting
2. Election of chairman of the meeting
3. Establishment and approval of the voting list
4. Approval of the agenda of the meeting
5. Election of one or two persons to approve the minutes
6. Determination of whether the meeting has been duly convened
7. Presentation of the annual report and the auditor's report as well as the consolidated accounts and the auditor's report for the group
8. Resolutions with respect to:
  - a) adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet
  - b) appropriation of the Company's profit or loss in accordance with the adopted balance sheet
  - c) discharge of liability for the members of the Board of Directors and the CEO
9. Determination of the number of board members and substitute board members
10. Determination of the number of auditors
11. Resolution on compensation to the board members and the auditor
12. Election of board members, chairman of the board, substitute board members and auditors
13. Resolution on compensation to the nomination committee and election of members of the nomination committee
14. Resolution to amend the articles of association
15. Resolution on share issue with disapplication of the shareholders' pre-emptive rights
16. Resolution on share issue with disapplication of the shareholders' pre-emptive rights
17. Resolution on share issue with disapplication of the shareholders' pre-emptive rights
18. Resolution on authorization for the Board of Directors to resolve on share issue for payment in kind
19. Resolution on appointment of a separate auditor for the purposes of a share issue against payment in kind
20. Closing of the meeting

### **Item 8 b**

The Board of Directors proposes that the Annual General Meeting decides that the loss for the year and accumulated loss be offset against the share premium reserve and that the remaining loss be carried forward.

### **Item 9**

The nomination committee consists of Karl Høgtun, representing DNB Fonder and Andreas Lorentzen, representing Storebrand Kapitalforvaltning. The nomination committee proposes that the Board of Directors shall consist of six ordinary board members, with one substitute board member.

### **Item 10**

The nomination committee proposes that one auditor is elected.

### **Item 11**

The nomination committee proposes that the board remuneration, from the date of this Annual General Meeting until the next Annual General Meeting, shall be USD 35,000 for each ordinary board member and USD 75,000 for the chairman.

The nomination committee proposes that the chairman of the Audit Committee shall receive an additional remuneration of USD 15,000 and that the chairman of the Remuneration Committee shall receive an additional remuneration of USD 10,000, from the date of this Annual General Meeting until the next Annual General Meeting.

The nomination committee proposes that remuneration to the auditor shall be paid in accordance with approved invoices.

### **Item 12**

The nomination committee proposes that the Annual General Meeting re-elects John H. Johnson as chairman of the Board of Directors and Richard Kollender, Joseph Mahady, Mårten Steen, Hilde Steiniger and Eigil Stray Spetalen as Board members of the Company, and Jennie Blomquist as substitute Board member of the Company for the period until the end of the next Annual General Meeting.

The nomination committee proposes that the authorized accounting firm Ernst & Young is re-elected as the auditor of the Company for the period until the end of the next Annual General Meeting. Ernst & Young has stated that if elected, Nina Bergman will be the principally responsible auditor.

### **Item 13**

Broadfin Capital, representing approximately 4.8% of the shares and votes in the Company, proposes that the nomination committee remuneration, from the date of this Annual General Meeting until the end of the next Annual General Meeting shall be NOK 20,000 for the chairman and NOK 18,000 for the other nomination committee member.

Broadfin Capital further proposes that Espen Jørgensen shall be elected chairman and Andreas Lorentzen shall be elected member of the nomination committee, for the period until the end of the next Annual General Meeting.

## Item 14

For the purpose of enabling the issues of shares proposed or contemplated under items 15-18 of the proposed agenda included in the notice of the Annual General Meeting, and in order for the Board of Directors of the Company to be able to appoint a specific auditor for certain purposes, the Board of Directors proposes that the Annual General Meeting resolves to amend the articles of association according to the following (amendments in italic).

Current wording  
§ 4

The Company's share capital shall be not less than SEK 43,750,000 and not more than SEK 175,000,000.

§ 5

The number of shares in the Company shall be not less than 43,750,000 shares and not more than 175,000,000 shares.

§ 7

The Company shall have minimum one (1) and maximum two (2) auditors.

Proposed wording  
§ 4

The Company's share capital shall be not less than SEK *150,000,000* and not more than SEK *600,000,000*.

§ 5

The number of shares in the Company shall be not less than *150,000,000* shares and not more than *600,000,000* shares.

§ 7

The Company shall have minimum one (1) and maximum two (2) auditors.

*The board of directors has the right to appoint one or more specific auditors or a registered accounting firm to audit reports or plans made by the board of directors pursuant to the Companies Act in connection with an issue of shares, warrants or convertibles that contains provisions on contribution in kind, subscription by setoff or subject to other conditions, a transfer of own shares against non-cash payment, a reduction of share capital or statutory reserve or a merger or de-merger.*

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

#### **Item 15**

The Board of Directors proposes that the Annual General Meeting resolves that the Company's share capital shall be increased by not more than SEK 24,769,318 through the issuance of not more than 24,769,318 new shares. The right to subscribe for the new shares shall, with disapplication of the shareholders' pre-emptive rights, be granted Blackwell Partners, LLC-Series A with not more than 612,615 shares, Broadfin Healthcare Master Fund, LTD with not more than 4,537,891 shares, Granite Point Capital Master Fund, L.P. with not more than 1,361,367 shares, Granite Point Capital Panacea Global Healthcare Fund with not more than 1,285,735 shares, Granite Point Capital Scorpion Focused Ideas Fund with not more than 756,315 shares, Growth Equity Opportunity Fund III, LLC with not more than 2,268,945 shares, HealthCap VI, L.P. with not more than 1,512,630 shares, Locust Walk Partners with not more than 378,157 shares, Longwood Capital, LP with not more than 3,509,302 shares, Longwood Opportunity Fund, LP with not more than 1,391,620 shares, RA Capital Healthcare Fund, L.P. with not more than 2,790,803 shares, TVM V Life Sciences Ventures GmbH & Co. KG with not more than 3,214,339 shares and 2b LLC with not more than 1,149,599 shares. Over-subscription cannot occur. Subscription for the new shares shall be made on a separate subscription list no later than 2 July 2015, or such later date as the Board of Directors may decide. The subscription price shall be USD 1.3222 per share to be paid in cash no later than on 2 July 2015, 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 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 expected to be obtained through a rights issue, thereby strengthening the Company's liquidity and financial position, and at the same time broadening the institutional/long term ownership in the Company. The subscription price has been determined through negotiations with the subscribers and the Board of Directors deems that, considering the prevailing market conditions, previous issuances, the size of the issue and the time factor, the new share issue is carried out on market terms.

The new shares proposed to be issued in accordance with the above will result in a dilution of not more than approximately 13.5 percent of the share capital (excluding the additional up to 359,241 and 22,689,456 new shares that the Board of Directors has proposed that the Annual General Meeting resolves to issue and authorizes the Board of Directors to issue, respectively).

The new shares proposed to be issued in accordance with the Board's proposal above, together with the additional shares that the Board of Directors has proposed that the Annual General Meeting resolves to issue and authorizes the Board of Directors to issue, respectively, will result in a total dilution of not more than approximately 23.1 percent of the share capital.

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

Any member of 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.

In order to be valid, the resolution by the Annual General Meeting in accordance with the above must be supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

#### **Item 16**

The Board of Directors proposes that the Annual General Meeting resolves that the Company's share capital shall be increased by not more than SEK 170,166 through the issuance of not more than 170,166 new shares. The right to subscribe for the new shares shall, with disapplication of the shareholders' pre-emptive rights, be granted Christopher Baird with not more than 18,907 shares, Geoffrey Meyerson with not more than 37,815 shares, John Chambers with not more than 18,907 shares, Lindsay Rocco with not more than 18,907 shares, Melyssa Weible with not more than 30,252 shares, Michael Bell with not more than 26,471 shares and Michael Margolis with not more than 18,907 shares. Over-subscription cannot occur. Subscription for the new shares shall be made on a separate subscription list no later than 2 July 2015, or such later date as the Board of Directors may decide. The subscription price shall be USD 1.3222 per share to be paid in cash no later than on 2 July 2015, 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 purpose of the new share issue and the reasons for the disapplication of the shareholders' pre-emptive right, are that the Board of Directors deems that it would be beneficial to the Company and its shareholders if the subscribers, who provide consulting or other advisory services to the Company, are further involved in the Company's development by being offered to subscribe for shares. The Company is a biopharmaceutical company with certain products that are in various stages of development, and it currently has no marketed products and therefore no revenues. As an early-stage company, it presently employs only a small number of individuals and instead relies on outside consultants and advisors for certain services. These consultants and advisors have played a key role in the Company's success to-date and are expected to continue to contribute to the Company's future success. Through a personal ownership, these subscribers' interests are aligned with the interests of the other shareholders, which would further increase the subscribers' incentive to work for a positive development of the Company and thereby the value of the Company's share. Further, the Board of Directors deems that a personal ownership would also increase the possibilities for these individuals to continue to perform services on behalf of the Company at favorable terms. The subscription price has been determined through negotiations with the subscribers and the Board of Directors deems that, considering the prevailing market conditions and previous issuances, the new share issue is carried out on market terms.

The new shares proposed to be issued in accordance with the above will result in a dilution of not more than approximately 0.1 percent of the share capital (excluding the additional up to 24,958,393 and 22,689,456 new shares that the Board of Directors has proposed that the Annual General Meeting resolves to issue and authorizes the Board of Directors to issue, respectively).

The new shares proposed to be issued in accordance with the Board's proposal above, together with the additional shares that the Board of Directors has proposed that the Annual General

Meeting resolves to issue and authorizes the Board of Directors to issue, respectively, will result in a total dilution of not more than approximately 23.1 percent of the share capital.

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

Any member of 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.

In order to be valid, the resolution by the Annual General Meeting in accordance with the above must be supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

### **Item 17**

The Board of Directors proposes that the Annual General Meeting resolves that the Company's share capital shall be increased by not more than SEK 189,075 through the issuance of not more than 189,075 new shares. The right to subscribe for the new shares shall, with disapplication of the shareholders' pre-emptive rights, be granted Brian Davis with not more than 22,689 shares, Matthew Pauls with not more than 45,378 shares, Michael Steidle with not more than 37,815 shares, Robert Lutz with not more than 37,815 shares, Ruth Thieroff-Ekerdt with not more than 26,471 shares and Stephen Long with not more than 18,907 shares. Over-subscription cannot occur. Subscription for the new shares shall be made on a separate subscription list no later than 2 July 2015, or such later date as the Board of Directors may decide. The subscription price shall be USD 1.3222 per share to be paid in cash no later than on 2 July 2015, 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 purpose of the new share issue and the reasons for the disapplication of the shareholders' pre-emptive right, are that the Board of Directors deems that it would be beneficial to the Company and its shareholders if the subscribers, who are employed within the group, are further involved in the Company's development by being offered to subscribe for shares. Through a personal ownership, the subscribers' interests are aligned with the interests of the other shareholders, which would further increase the subscribers' incentive to work for a positive development of the Company and thereby the value of the Company's share. Further, the Board of Directors deems that a personal ownership would also increase the possibilities to retain important competence within the Company. The subscription price has been determined through negotiations with the subscribers and the Board of Directors deems that, considering the prevailing market conditions and previous issuances, the new share issue is carried out on market terms.

The new shares proposed to be issued in accordance with the above will result in a dilution of not more than approximately 0.1 percent of the share capital (excluding the additional up to 24,939,484 and 22,689,456 new shares that the Board of Directors has proposed that the Annual General Meeting resolves to issue and authorizes the Board of Directors to issue, respectively).

The new shares proposed to be issued in accordance with the Board's proposal above, together with the additional shares that the Board of Directors has proposed that the Annual General

Meeting resolves to issue and authorizes the Board of Directors to issue, respectively, will result in a total dilution of not more than approximately 23.1 percent of the share capital.

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

Any member of 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.

In order to be valid, the resolution by the Annual General Meeting in accordance with the above must be supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

### **Item 18**

The Company has decided to acquire assets for the development, production and sale of the product Somatoprim (the "Assets") from Aspireo Pharmaceuticals Limited ("Aspireo"). Payment for the Assets will be made with new shares to be issued in the Company.

The Board of Directors finds that the acquisition of the Assets creates possibilities for further expansion and growth within the field of rare endocrine disease therapies and will in the long term contribute to strengthening the Company's market position and development of treatments for acromegaly and other endocrine diseases.

Against this background, the Board of Directors proposes that the Annual General Meeting shall resolve to authorize the Board of Directors to, during the period up to the next Annual General Meeting, resolve on a new share issue in kind on the main terms set out below.

The Company's share capital shall be increased by not more than SEK 22,689,456 through the issuance of not more than 22,689,456 new shares. The right to subscribe for all new shares shall be granted Aspireo Pharmaceuticals Limited. Over-subscription cannot occur. The new shares shall be paid by a non-cash contribution of the Assets on the date of the subscription at the latest, or such later date as the Board of Directors may decide. The subscription price for the new shares shall be USD 1.3222 per share. 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 new shares comprised by the proposed authorization would result in a dilution of not more than approximately 12.5 percent of the share capital (excluding the additional up to 25,128,559 new shares that the Board of Directors has proposed that the Annual General Meeting resolves to issue).

The new shares comprised by the proposed authorization would together with the additional shares that the Board of Directors has proposed that the Annual General Meeting resolves to issue, result in a total dilution of not more than approximately 23.1 percent of the share capital.

A new share issue in accordance with authorization requires that the Company's articles of association are amended at the Annual General Meeting in accordance with the proposal included in the notice to the Annual General Meeting.

Any member of 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.

### **Item 19**

The Board of Directors has proposed that the Annual General Meeting resolves to authorize the Board of Directors to resolve on a new share issue with payment in the form of non-cash consideration (please see item 18 above). The Board of Directors proposes that authorized public accountant Stefan Freij, Guide Revision AB is appointed as the auditor to conduct the review and issue the statements required in relation to the new share issue in kind pursuant to Chapter 13 of the Swedish Companies Act.

### **Majority requirements**

Resolutions by the Annual General Meeting in accordance with the Board of Directors' proposals under items 14-16 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 Annual General Meeting. A resolution by the Annual General Meeting in accordance with the Board of Directors' proposal under item 17 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 Annual General Meeting.

### **Documents**

The articles of association, revised in accordance with the wording proposed under item 14 above, as well as complete proposals under items 15-19 above will be available at the Company on the above address and at the Company's website [www.cortendo.com](http://www.cortendo.com) no later than three weeks prior to the Annual General Meeting.

The annual report and the auditor's report will be made available at the Company and at the Company's website [www.cortendo.com](http://www.cortendo.com) no later than three weeks prior to the Annual General Meeting.

The documents will be sent free of charge to those shareholders who so request and state their address.

## **Information at the meeting**

Upon request by a shareholder and with the limitations under Chapter 7 Section 32 of the Swedish Companies Act, the Board of Directors and the CEO shall provide information on circumstances that may affect the assessment of an item on the agenda and circumstances that may affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to other companies within the group.

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## **About Cortendo AB**

Cortendo AB is a biopharmaceutical company incorporated in Sweden and based in the United States. Cortendo's strategic focus is to be a leader in commercializing innovative medicines for rare endocrine disorders and other rare diseases. Cortendo's lead product candidate, COR-003 (levoketoconazole), is a cortisol inhibitor that is currently being studied in the global Phase 3 SONICS trial for the treatment of endogenous Cushing's syndrome. COR-003 (levoketoconazole) has received orphan designation from both the European Medicines Agency and the U.S. Food and Drug Administration. Cortendo's intent is to independently commercialize its orphan/endocrine assets in key global markets.

## **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 Cortendo's strategy, anticipated investments, financial position 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 Cortendo'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 Cortendo believes are reasonable. The forward-looking statements contained in this document are made only as of the date hereof. Cortendo 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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