

Press release
Lund, 3 April 2020

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Notice of annual general meeting 2020 in Enzymatica AB (publ)

The shareholders in Enzymatica AB (publ), reg. no 556719-9244 (the “**Company**”) are hereby invited to attend the annual general meeting (“**AGM**”) to be held on Tuesday 5 May 2020 at 2:30 p.m. CEST at Elite Hotel Ideon, Scheelevägen 27, 223 63 Lund. Registration for the AGM starts at 2:00 p.m. CEST.

Please note that:

- Due to the current circumstances no food or entertainment will be provided at the AGM.
- For shareholders who are concerned about spread of infection, it is possible to participate by proxy. Individuals who have visited a risk area, belong to a risk group or who have been in contact with someone who is ill with COVID-19 should only participate by proxy. Power of attorney forms to represent shareholders and exercise their voting rights are available for download at www.enzymatica.se.

For more information and updates on precautionary measures at the AGM, visit www.enzymatica.se.

Right to participate and notice

The right to participate in the AGM have shareholders that are recorded in their own name (not trustee-registered) in the Company’s share ledger kept by Euroclear Sweden AB (The Swedish Central Securities Depository Euroclear Sweden AB) as of Tuesday 28 April 2020, and also have given notice to the Company of their intent to participate on Tuesday 28 April 2020, preferably no later than 4:00 p.m. CEST.

A shareholder may be accompanied by not more than two assistants, provided that the number of such assistants has been notified to the Company no later than the aforementioned time. Proxies need not notify the number of assistants in advance. Notice may be given in writing to Enzymatica AB (publ), att: AGM, Ideon Science Park, 223 70 Lund or by e-mail to louise.forssell@enzymatica.com. The notice should specify the shareholder’s name, personal identity or company registration number, address, work-hour telephone number and shareholding, as well as names of any assistants.

Trustee-registered shares

In order to be entitled to participate in the meeting, shareholders whose shares are trustee-registered must register their shares in their own names. Such registration should be requested from the trustee and must be in effect with Euroclear Sweden AB on 28 April 2020. Shareholders that wish to execute such registration must, well in advance before the said date, notify its trustee thereof. Such registration can be temporary.

Proxies

If a shareholder intends to participate by proxy, the proxy must bring a written and dated Power of Attorney signed by the shareholder in original to the meeting. The Power of Attorney may not be older than five years. Proxy forms can be downloaded from the Company's website, www.enzymatica.com. If the Power of Attorney is issued by a legal entity, the proxy must also bring a current registration certificate (Sw. *registreringsbevis*) of the legal entity or similar document of authorization for the legal entity.

Proposed agenda

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of the register of voters
4. Election of one or two persons to approve the minutes
5. Determination as to whether the meeting has been duly convened
6. Approval of the agenda
7. Presentation of the Annual Report and Audit Report and the Consolidated Annual Report and Consolidated Audit Report
8. Resolution on
 - a. Adoption of the profit and loss statement and balance sheet, as well as the consolidated profit and loss statement and the consolidated balance sheet
 - b. Distribution of the Company's profit or loss according to the adopted balance sheet
 - c. Discharge from liability of the members of the board of directors and the CEO
9. Determination of the number of members of the board of directors and auditors
10. Determination of remuneration for the members of the board of directors and the auditors
11. Election of
 - a. Members of the board of directors and eventual deputy directors
 - b. Chairman of the board of directors
 - c. Auditors and any deputy auditors
12. Resolution regarding guidelines for remuneration for senior executives
13. Resolution on implementation of an incentive program for senior executives and key personnel by way of (A) directed issue of warrants; and (B) approval of transfer of warrants
14. Resolution regarding authorization of the board of directors to issue new shares
15. Closing of the meeting

Resolution proposals

Proposal for election of chairman of the meeting (item 2)

The nomination committee proposes that attorney Henric Stråth, Moll Wendén Law Firm, shall be elected chairman of the meeting.

Proposal for resolution on distribution of the Company's loss (item 8b)

The board of directors proposes that the unappropriated funds of SEK 49,228,873, including the year's loss of SEK -43,019,296, are carried forward to a new account, and thus no dividends shall be paid for the financial year of 2019.

Proposal for election of members of the board of directors and auditor and remuneration (items 9-11)

As resolved on the AGM of 2019 the nomination committee shall consist of the chairman of the board of directors together with a representative of each of the four largest shareholders by votes at the end

of September 2019. Consequently, the nomination committee consists of the chairman of the board of directors, Bengt Baron, Mats Andersson through Danica Pension and several other companies as well as private, Björn Algvist through Fibonacci Asset Management AB, Guðmundur Pálmason, representing Fortus hf. and Håkan Roos, representing Roosgruppen AB.

Proposal pursuant to item 9: The nomination committee proposes that the board of directors shall consist of six (6) ordinary members without deputies until the end of the next AGM. Furthermore, the nomination committee proposes that a registered auditing company is appointed as auditor until the end of the next AGM.

Proposal pursuant to 10: The nomination committee proposes that remuneration for the board of directors, excluding remuneration for committee work, shall be paid with a total of SEK 1,275,000, of which SEK 400,000 is remuneration for the chairman of the board of directors and SEK 175,000 to every other member of the board of directors who are not employed by the Company. In addition, the nomination committee proposes that remuneration for work in the audit committee shall be paid with SEK 100,000 to the chairman of the audit committee (previously SEK 50,000) and SEK 50,000 to the other member (previously no remuneration). However, should the board, for workload reasons or otherwise, resolve that the audit committee shall consist of two or more other members, remuneration shall be paid with SEK 100,000 to the chairman and SEK 25,000 to each of the other members. Further, it is proposed that no remuneration shall be paid for work in the remuneration committee.

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

Proposal pursuant to item 11: The nomination committee proposes re-election of Bengt Baron, Mats K Andersson, Guðmundur Pálmason, Marianne Dicander Alexandersson and Louise Nicolin as well as the election of Fredrik Lindberg as ordinary members. Furthermore, it is proposed that Bengt Baron is re-elected as chairman of the board. In accordance with the audit committee's recommendation, the nomination committee proposes re-election of the registered auditing company Deloitte AB. Deloitte AB has notified that if the AGM approves the proposal, the authorised public accountant Per-Arne Pettersson will be the auditor-in-charge.

Proposal for resolution regarding guidelines for remuneration for senior executives (item 12)

The board of directors proposes that guidelines regarding determination of remuneration and other benefits for the CEO and other senior executives in the Company shall be adopted with the following substantial terms.

Senior executives include members of the board of directors, the CEO and other individuals in the Company management. The guidelines shall be applied in relation to every commitment on remuneration to senior executives, and every change made to already agreed commitments, which is resolved after the guidelines are adopted at the Company's 2020 annual general meeting. These guidelines shall be applicable until the annual general meeting 2024 at the latest. The guidelines do not apply to remuneration approved by the general meeting.

The proposed guidelines are more detailed than before to conform with new legal requirements. The changes will not have any major effects on the remuneration structure.

The decision-making process to determine, review and implement the guidelines

The remuneration committee shall prepare the board of director's proposal on guidelines. Based upon the remuneration committee's recommendation, the board of directors shall at least every fourth year or upon material changes to the guidelines make a proposal on guidelines to be resolved by the annual general meeting. The remuneration committee shall also monitor and evaluate plans for variable remuneration for senior executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the board of directors, the CEO and other members of the Company management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

In the preparation of the board of directors' proposal for the guidelines, remuneration and employment conditions for employees of the Company have been taken into account when evaluating whether the guidelines and limitations set out herein are reasonable.

Types of remuneration etc.

The Company's long-term goal and business strategy is to continue to grow by increasing the market share and strengthen the position in existing markets, to expand into new geographic markets and to develop more unique health care products by the use of the Company's enzyme technology. The principle is that the Company shall offer remuneration levels and employment conditions needed to enable recruitment and retention of senior executives with the required competence, experience and expertise in order to achieve the business objective, implement the Company's business strategy and to safeguard the Company's long-term interests, including its sustainability. The remuneration shall be decided on market-based terms. To the extent a member of the board of directors performs work for the Company alongside the work as a member of the board of directors, a market-based consultancy fee should be payable. Such fees are to be compliant with the guidelines.

The fixed salary for the senior executives shall be market-based and based on the individual's work duties, responsibilities, experience, competence and performance. The Company offers other customary benefits to senior executives, such as company car, and occupational health services, equivalent to what is considered as reasonable in reference to market practice and the benefit for the Company. Such benefits shall not exceed 10 per cent of the fixed annual cash salary.

In addition to fixed salary, variable remuneration may be offered for rewarding target-related performance, depending on to what extent certain pre-established objectives have been met within the framework of the Company's business operations. The goals may include financial as well as non-financial criteria, which are to be predetermined and measurable. The criteria shall be structured in such a way that they promote the Company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promoting the executive's long-term development. The variable remuneration shall be relevant and reasonable in relation to total remuneration and shall not exceed 30 per cent of the fixed annual salary.

When the measurement period for attainment of the criteria for payment of variable cash remuneration has ended, the remuneration committee shall determine the extent to which the criteria have been attained. As far as financial goals are concerned, the judgement shall be based on the latest financial information published by the Company.

Pension and termination of employment

Pension benefits shall be contribution based occupational pension insurances, which shall be marked-based in relation to what generally applies for equivalent senior executives on the market. The pension

benefits shall not exceed 30 per cent of the fixed annual cash salary. Pension benefits shall generally be granted in accordance with rules, collective agreements (which may include a right to early retirement pension) and practice in the country where each respective senior executive is permanently resident. Notice period and possible severance payment shall not exceed fixed salary and other benefits of 18 months. When termination is made by the senior executive, the notice period may not exceed 12 months and may not include any right to severance pay.

Deviation from the guidelines

The board of directors shall be entitled to deviate from the guidelines in individual cases if there are special reasons for doing so and if such a deviation is necessary to meet the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The remuneration committee's tasks include preparing the board of director's decisions on remuneration matters, which include decisions on any deviation from the guidelines. If such deviation occurs, the board of directors shall report the reasons for the deviation at the closest following annual general meeting.

Resolution on implementation of an incentive program for senior executives and key personnel by way of (A) directed issue of warrants; and (B) approval of transfer of warrants (item 13)

The board of directors proposes that the meeting resolves to implement an incentive program for senior executives and key personnel in the group based on issue and transfer of warrants (the "**Warrants Program 2020/2023**"), on the following terms and conditions:

A. Directed issue of warrants

A maximum of 2,800,000 warrants shall be issued for the Warrants Program 2020/2023.

With deviation from the shareholders' preferential rights, the right to subscribe shall vest in the company's wholly owned subsidiary, Enzymatica Care AB, Reg. No. 556701-7495 (the "**Subsidiary**"). The reason for the deviation from the shareholders' preferential rights is that the warrants shall be used within the Warrants Program 2020/2023.

Subscription of the warrants shall be made on a designated subscription list at the latest within two weeks from the day of the issue resolution. The board of directors have the right to prolong the subscription period. Over subscription cannot occur.

The warrants shall be issued to the Subsidiary against cash consideration corresponding to the warrant's market value calculated in accordance with the Black Scholes formula. The calculation of the market value of the warrants shall be established by Öhrlings PricewaterhouseCoopers AB in connection with the expiration of the measurement period on 19 May 2020. Payment shall be made in connection with subscription.

Each warrant shall entitle to subscription of one (1) share in the Company. Subscription of shares by virtue of the warrants may be effected during the period as from 15 May 2023 up to and including 30 September 2023.

The subscription price per share shall correspond to 140 per cent of the volume weighted average price according to Nasdaq First North Growth Market's official price list for shares in the Company during the period as from and including 6 May 2020 to and including 19 May 2020. The subscription price and the number of shares that each warrant entitles right to subscribe for may be subject to customary recalculation in the event of split-up or consolidation of shares, rights issues and similar events.

The shares issued upon utilization of a warrant shall confer right to dividends as from the first record date for dividends that occurs immediately following effectuation of subscription to such extent that the share has been recorded in the Company's share ledger as interim share.

In case all warrants are utilized for subscription of new shares, the share capital will increase with SEK 112,000.04.

B. Transfer of warrants

The Warrants Program 2020/2023 shall principally be carried out in accordance with what is stated below.

The Subsidiary shall have the right, on one or several occasions, to transfer the warrants to employees and consultants in the Company, or a company within the group in which the Company is the parent company, in accordance with the terms and guidelines set forth below. Transfer to participants under the Warrants Program 2020/2023 shall be made against cash consideration which shall correspond to the market value of the warrant calculated in accordance with the above.

The board of directors of the Company shall resolve upon allotment of warrants, which shall be made in accordance with the following allocation, whereby it is noted that the distribution of warrants can differ between the participants in the respective category:

Position	Number of warrants
CEO	A maximum of 1,000,000
Other senior executives (for now 5 persons)	A minimum of 100,000 and a maximum of 500,000 per person
Other employees / consultants (for now 18 persons)	A minimum of 20,000 and a maximum of 100,000 per person

First allotment is scheduled to be made in May 2020.

The participants can subscribe for a lower number of warrants compared to what is offered to the participants. Over subscription cannot occur.

The warrants that may remain after the first allotment may be allotted to future employees and consultants in the Company, or a company within the group in which the Company is the parent company, or to such employees that have been promoted, at the market value at each given time in accordance with the allocation principles stated above, whereby the above-mentioned number of employees and consultants in the respective category may change. Transfer of warrants may not take place after the annual general meeting 2021.

Right to allotment in the Warrants Program 2020/2023 requires that the participant, at the time of allotment at the latest, holds a position in the company or has signed an agreement regarding it, and has not, at such time, informed or been informed of that the employment or assignment will be terminated. The Company shall, in connection with allotment and as long as it does not entail negative tax consequences for the Company or the participant, have the right to repurchase warrants if the participant's employment or assignment in the group ends or if the participant in turn wishes to transfer the warrants.

For participants in other jurisdictions than Sweden, it is implied that transfer of warrants is legally possible and that transfer, in the board of directors' opinion, can be carried out with reasonable administrative and financial efforts at their established market value. The board of directors shall be authorized to adjust the terms and conditions of the Warrants Program 2020/2023 to the extent required in order for allotment and exercise of warrants to participants in other jurisdictions, to the extent practically possible, to be carried out under the same conditions imposed by the Warrants Program 2020/2023.

Other information regarding the Warrants Program 2020/2023

The reasons for the implementation of the Warrants Program 2020/2023 and the deviation from the shareholders' preferential rights is that the board of directors considers that a warrant program that gives senior executives and key personnel the opportunity to take part in the Company's long-term performance promotes participation and responsibility and provides increased motivation and loyalty to work for a favorable economic development in the Company. An incentive program is also expected to contribute to the opportunities to recruit and retain competent, motivated and engaged co-workers as well as to the fulfillment of the Company's business strategy, long-term interests and sustainability.

Since the warrants in the Warrants Program 2020/2023 are transferred at market value, the Company's assessment is that the Company will not incur any social costs due to Warrants Program 2020/2023. Hence, the costs related to Warrants Program 2020/2023 will only be composed of limited costs for implementation and administration of the program. Otherwise, the Warrants Program 2020/2023 is not expected to entail any costs of significance for the Company, and for this reason no measures to hedge the program have been taken.

In case all 2,800,000 warrants issued within the Warrants Program 2020/2023 are utilized for subscription of new shares, a total of 2,800,000 new shares will be issued, which corresponds to a dilution of approximately 1.9 per cent of the Company's share capital and votes after full dilution. The dilution would only have a marginal impact on the Company's key figures "Earnings per share" for the full year 2019.

Since previously, the Company has two outstanding personnel option programs, Personnel Option Program 2017/2023 I and Personnel Option Program 2017/2023 II, resolved at the annual general meeting 2017 and by the extraordinary general meeting in October 2017 (together the "**Personnel Option Programs**"). The Personnel Option Programs comprise a total of 3,740,000 personnel options, whereby 4,915,108 warrants have been issued to the Subsidiary to secure delivery of shares and to secure social security contributions. Each warrant in the Personnel Option Programs entitle to subscription of one new share and the Personnel Option Programs lapse in August 2023. If all of the warrants issued in the Personnel Option Programs are exercised for subscription of new shares, a total of 4,915,108 new shares will be issued, corresponding to a dilution of approximately 3.3 per cent of the Company's current share capital and votes after full dilution.

In case all outstanding warrants in the Personnel Option Programs, as well as the warrants proposed to be issued under Warrants Program 2020/2023 are utilized, a total of 7,715,108 shares will be issued, which corresponds to a dilution of approximately 5.1 per cent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all outstanding and proposed warrants.

The above calculations regarding dilution are subject to recalculation of the warrants in accordance with the customary recalculation terms included in the complete warrant terms and conditions.

The proposal of the Warrants Program 2020/2023 has been prepared by the remuneration committee together with external consultants. The final proposal has been resolved upon by the board of directors.

Proposal for resolution regarding authorization of the board of directors to issue new shares (item 14)

The board of directors proposes that the meeting authorizes the board of directors until the next annual shareholders' meeting to, on one or more occasions, resolve to increase the Company's share capital by issue of no more than shares corresponding to ten (10) per cent of the total number of shares in the Company.

However, such issues may not cause the share capital in the Company to exceed the Company's highest allowed share capital according to the articles of association. The board of directors may deviate from the shareholders' preferential rights. The reason for the board of directors' authorization to deviate from the shareholders' preferential rights is to enable the Company's possibilities to raise new capital and to take advantage of future opportunities to attract new long-term owners and to finance the Company's growth strategy. The authorization also includes the right to decide on payment for the issued shares by set-off, in kind or other conditions as referred in Chap. 13 Sec. 5 item 6 of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). At a deviation from the shareholders' preferential rights, the issue of new shares shall be determined in accordance with market conditions.

Majority rules

For valid resolution on the proposal pursuant to item 13, the proposal has to be supported by shareholders with at least nine-tenths (9/10) of the votes cast as well as the shares represented at the meeting. For a valid resolution pursuant to item 14, the proposal have to be supported by shareholders representing at least two-thirds (2/3) of the votes cast as well as shares represented at the meeting.

Meeting documents

Financial statements, the auditor's report and the board of director's complete proposals pursuant to items 12 and 13 will be available at the Company and on the Company's website, www.enzymatica.se, as from 14 April 2020 at the latest, and will be sent upon request to shareholders who provide their address. In other respects, the board of directors' complete proposals for resolution are stated in the notice.

Information during the AGM

The shareholders are reminded of their right to request information from the board of directors and the CEO at the meeting in accordance with Chap. 7 Sec. 32 of the Swedish Companies Act.

Total number of shares and votes

The total number of shares and votes in the Company amounts as per the date of this notice to 142,823,696. The Company does not hold any own shares.

Personal and individual information

For information on how the Company handles personal and individual information, the Company refers to section AGM 2020 at www.enzymatica.se.

Lund in March 2020
Enzymatica AB (publ)
The board of directors



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About Enzymatica AB

Enzymatica AB is a Swedish life science company that develops and sells health care products for primarily conditions of the ear-nose-and-throat region. The products are based on a barrier technology that includes marine enzymes. The company's first product is the medical device ColdZyme®, a mouth spray against common cold. The product has been launched in about ten markets. The strategy is to continue to grow by developing more health care products and strengthening the company's position in existing markets and expanding into new geographic markets through established partners. The company has its headquarters in Lund and is listed on Nasdaq First North Growth Market. For more information, visit: www.enzymatica.com and www.enzymatica.se/en/section/media/press-releases

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