

The Board of Directors' report regarding the transfer of subsidiary shares to major shareholders

Introduction

The Board of Directors proposes that the EGM resolves to approve that the Company transfers shares in the subsidiary Emollivet AB, reg. no. 559210-4369 ("Emollivet"), to Lipidor's largest shareholder, Cerbios-Pharma SA, reg. no CHE-107-948.886, ("Cerbios") and Lipidor's fourth largest shareholder, Aurena Laboratories Holding AB, reg. no 556245-8306, ("Aurena"), in accordance with below (the "Transaction").

Cerbios was, as of 30 September 2022, the owner of 4,483,250 shares in Lipidor, corresponding to 15.47 percent of the number of shares and votes in the Company, and Aurena was, as of the same date, the owner of 1,621,250 shares in Lipidor, corresponding to 5.59 percent of the number of shares and votes in the Company. Denis Angioletti, Board member of Lipidor, is active as CCO at Cerbios.

The Board of Directors is of the opinion that neither Cerbios nor Aurena are related parties of Lipidor as referred to in The Swedish Securities Council (*Sv. Aktiemarknadsnämnden*) ruling 2019:25 on certain related party transactions. However, the purchasers, who together hold approximately 21 percent of the shares in the Company, have requested that the Transaction be conditional on the approval of the General Meeting. Also the Board of Directors considers it appropriate to submit the resolution on the Transaction for approval of the General Meeting and has therefore prepared this report as a basis for the EGM.

Background and proposed transaction

The Transaction refers to a transfer of a total of 529 shares in Emollivet (the "Emollivet shares"), corresponding to a total of 22 percent of the shares and votes in Emollivet, to Cerbios and Aurena for a purchase price of a total of SEK 3,856,410, corresponding to SEK 7,290 per Emollivet-share. Of these shares, Cerbios shall receive 412 Emollivet shares at a purchase price of SEK 3 003 480 and Aurena shall receive 117 Emollivet shares at a purchase price of SEK 852,930.

Lipidor has engaged an independent advisor, AG Equity Research AB, which has valued Emollivet at a total of approximately MSEK 15.4 – 21.7, see Appendix 1. Based on the valuation report, the parties have agreed on a price per share of SEK 7,290, which means that Emollivet is valued at a total of approximately MSEK 17.5. Access to the Emollivet shares is expected to take place as soon as possible after the approval of the EGM. The consideration will consist of cash.

Prior to the Transaction, Lipidor holds 1,243 Emollivet shares, corresponding to 51.8 percent of the number of shares and votes in Emollivet. Cerbios holds prior to the Transaction 340 Emollivet shares and Aurena holds 225 Emollivet shares, corresponding to 14.2 and 9.4 percent respectively of the numbers of shares and votes in Emollivet.

Following the Transaction, and after the sale of additional 125 Emollivet shares to a few other persons, Lipidor will hold 590 Emollivet shares, corresponding to 24.6 percent of the number of shares and votes in Emollivet. Cerbios will hold 752 Emollivet shares and Aurena will hold 342 Emollivet shares, corresponding to 31.3 and 14.3 percent respectively of the number of shares and votes in Emollivet.

The purpose of the proposed Transaction is to solve a direct capital need that protects the Company's intellectual property rights and provides the opportunity for continued value creation. The Transaction provides extended endurance and financial scope to complete, together with the Company's licensing partner, evaluation of the recently completed clinical Phase III study of AKP02, define a new development plan and resolve a long-term refinancing.

The Board of Directors assesses that the negotiated terms for the Transaction, including the purchase price, are market conformant and that the share purchase agreement otherwise contains customary and fair terms. The Board of Directors therefore proposes that the EGM approves the Transaction in accordance with the conditions above.

Shares held by Cerbios and Aurena, or other companies in their groups, will not be considered in the resolution of the EGM on the Transaction.

Denis Angioletti has not participated in the Board of Directors' preparation or resolution regarding the proposal.

Stockholm, December 2022
Lipidor AB (publ)
The Board of Directors