

Plan-les-Ouates, 28 May 2018



To the shareholders of Addex Therapeutics Ltd

## Invitation to the Annual General Meeting

Wednesday, 20 June 2018, 11:00 a.m. at Addex Therapeutics Ltd, Campus Biotech, Chemin des Mines 9, CH-1202 Geneva (doors open at 10:30 a.m.).

### Agenda

1. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2017
2. Consultative vote on the Compensation Report for the business year 2017
3. Appropriation of the results
4. Discharge of the members of the Board of Directors and of the Executive Management
5. Elections and Re-elections of the members of the Board of Directors and re-election of the Chairman of the Board of Directors
  - 5.1. Re-election of Vincent Lawton as member and Chairman of the Board of Directors
  - 5.2. Re-election of Raymond Hill as member of the Board of Directors
  - 5.3. Re-election of Timothy Dyer as member of the Board of Directors
  - 5.4. Re-election of Roger Mills as member of the Board of Directors
  - 5.5. Election of Jake Nunn as member of the Board of Directors
  - 5.6. Election of Isaac Manke as member of the Board of Directors
6. Re-elections of the members of the Compensation Committee
  - 6.1. Re-election of Vincent Lawton as member of the Compensation Committee
  - 6.2. Re-election of Raymond Hill as member of the Compensation Committee
7. Re-election of the Auditors
8. Re-election of the Independent Voting Rights Representative
9. Amendments to the Articles of Association
  - 9.1. Extension and increase of the authorized share capital (article 3b of the Articles of Association)
  - 9.2. Increase of the conditional share capital (article 3c of the Articles of Association).
10. Compensation of the members of the Board of Directors and of the Executive Management
  - 10.1. Compensation of the members of the Board of Directors
    - 10.1.1. For the period from the 2017 AGM to 2018 AGM
    - 10.1.2. For the period from the 2018 AGM to 2019 AGM
  - 10.2. Compensation of the members of the Executive Management
    - 10.2.1. For the financial year 2018
    - 10.2.2. For the financial year 2019
11. Miscellaneous

## Motions and Explanations

### 1. **Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2017**

The Board of Directors **proposes** to approve the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2017.

### 2. **Consultative vote on the Compensation Report for the business year 2017**

The Board of Directors **proposes** to endorse the Compensation Report 2017. This vote is consultative.

#### *Explanation*

In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance, the Board of Directors has decided to submit the Compensation Report to the shareholders for a consultative vote. The Compensation Report includes the content required by law and furthermore describes the compensation system and its application in the business year under review.

### 3. **Appropriation of the results**

The Board of Directors **proposes** to carry forward the loss of CHF834,309 for the business year 2017.

### 4. **Discharge of the members of the Board of Directors and of the Executive Management**

The Board of Directors **proposes** that discharge be granted to the members of the Board of Directors and the Executive Management for their activities in the business year 2017.

### 5. **Election and re-elections of the members of the Board of Directors and re-election of the Chairman of the Board of Directors**

The Board of Directors **proposes** the re-election of its members Vincent Lawton, Raymond Hill, Timothy Dyer and Roger Mills for a term of one year each; and the re-election of Vincent Lawton as its Chairman. Further, the Board of Directors proposes the election of Jake Nunn and Isaac Manke as new members of the Board of Directors for a term of one year.

#### *Explanation*

Pursuant to article 16 of the Articles of Association, the members of the Board of Directors and the Chairman must be elected annually at the AGM; re-election is possible. Following the capital increase concluded on 28 March 2018 and under certain qualifying conditions related to share ownership, New Enterprise Associates (NEA) and New Leaf Venture Partners (NLV) have the right to propose one (1) director each for election to the Company's Board of Directors. NEA have nominated Jake Nunn and NLV have nominated Isaac Manke.

Biographies and other information on the current members of the Board of Directors proposed for re-election can be found on the Addex Therapeutics website and in the Corporate Governance Report for the business year 2017. The biographies of Jake Nunn and Isaac Manke are set out below.

#### 5.1. **Re-election of Vincent Lawton as member and Chairman of the Board of Directors**

The Board of Directors **proposes** to re-elect Vincent Lawton as a member of the Board of Directors and as Chairman of the Board of Directors for a term of office extending until completion of the next AGM.

#### 5.2. **Re-election of Raymond Hill as member of the Board of Directors**

The Board of Directors **proposes** to re-elect Raymond Hill as a member of the Board of Directors for a term of office extending until completion of the next AGM.

#### 5.3. **Re-election of Timothy Dyer as member of the Board of Directors**

The Board of Directors **proposes** to re-elect Timothy Dyer as a member of the Board of Directors for a term of office extending until completion of the next AGM.

#### 5.4. **Re-election of Roger Mills as member of the Board of Directors**

The Board of Directors **proposes** to re-elect Roger Mills as a member of the Board of Directors for a term of office extending until completion of the next AGM.

#### 5.5. Election of Jake Nunn as member of the Board of Directors

The Board of Directors **proposes** to elect Jake Nunn as a member of the Board of Directors for a term of office extending until completion of the next AGM.

##### Biography of Jake Nunn:

Jake has more than 20 years experience in the life science industry as an investor, research analyst and investment banker. Jake joined New Enterprise Associates (NEA) in 2006 as a Partner where he focuses on later-stage specialty pharmaceuticals, biotechnology and medical device investments and manages a number of NEA's public investments in healthcare. Jake is a Director of Dermira (Nasdaq: DERM) and Trevena, Inc. (Nasdaq: TRVN). He previously was a Director of Hyperion Therapeutics (acquired by Horizon Pharma PLC), TriVascular (acquired by Endologix), Acix Therapeutics (sold to Nicox SA) and Transcept Pharmaceuticals (merged with Paratek). Prior to NEA, Jake worked at MPM Capital as a Partner with the MPM BioEquities Fund, where he specialized in public, PIPE and mezzanine-stage life sciences investing. Previously, he was a healthcare research analyst and portfolio manager at Franklin Templeton Investments. Jake was also an investment banker with Alex. Brown & Sons. He received an MBA from the Stanford Graduate School of Business and an AB in Economics from Dartmouth College. Jake holds the Chartered Financial Analyst designation, and is a member of the CFA Society of San Francisco.

#### 5.6. Election of Isaac Manke as member of the Board of Directors

The Board of Directors **proposes** to elect Isaac Manke as a member of the Board of Directors for a term of office extending until completion of the next AGM.

##### Biography of Isaac Manke:

Isaac has more than 15 years experience in the life science industry as an investor, research analyst, consultant and scientist. Isaac joined New Leaf Venture Partners (NLV) in 2009 and was promoted to Partner in 2014. Isaac's investment activities with NLV started with a focus on venture investments in the biopharmaceutical sector. He has led the firm's public investment activities initially with the public portfolio within NLV-II, and since 2014 has day-to-day management and oversight responsibility for the NLV Biopharma Opportunities Fund I. Isaac has been a board member or observer for several companies, including the boards of True North Therapeutics (acquired by Bioerativ) and Karos Pharmaceuticals (acquired by an undisclosed company). Prior to joining NLV, Isaac was an Associate in the Global Biotechnology Equity Research group at Sanford C. Bernstein. Previously, Isaac worked as an Associate in the Biotechnology Equity Research group at Deutsche Bank and was a Senior Analyst at Health Advances, a biopharmaceutical and medical device strategy consulting firm. Isaac received a B.A. in Biology and a B.A. in Chemistry at Minnesota State University (Moorhead), and a Ph.D. in Biophysical Chemistry and Molecular Structure at the Massachusetts Institute of Technology (MIT). Isaac's discoveries led to several publications in top journals, including Science and Cell, and were selected by Science as one of the "2003: Signaling Breakthroughs of the Year". These discoveries also resulted in four issued patents.

### 6. Re-elections of the members of the Compensation Committee

The Board of Directors **proposes** the re-election of Vincent Lawton and Raymond Hill as members of the Compensation Committee.

#### *Explanation*

Pursuant to article 20 of the Articles of Association, the members of the Compensation Committee have to be elected by the AGM. The term of office is one year; re-election is possible.

#### 6.1. Re-election of Vincent Lawton as member of the Compensation Committee

The Board of Directors **proposes** to re-elect Vincent Lawton as a member of the Compensation Committee for a term of office extending until completion of the next AGM.

#### 6.2. Re-election of Raymond Hill as member of the Compensation Committee

The Board of Directors **proposes** to re-elect Raymond Hill as a member of the Compensation Committee for a term of office extending until completion of the next AGM.

### 7. Re-election of the Auditors

The Board of Directors **proposes** the re-election of PricewaterhouseCoopers SA, Geneva, as Auditors for the business year 2018.

## 8. Re-election of the Independent Voting Rights Representative

The Board of Directors **proposes** to re-elect Robert P. Briner, attorney-at-law, Briner & Brunisholz, Cours des Bastions 5, CH-1205 Geneva, as the Independent Voting Rights Representative for a term of office extending until completion of the next AGM.

### Explanations

Pursuant to article 13 of the Articles of Association, the Independent Voting Rights Representative has to be elected by the AGM. The term of office is one year; re-election is possible.

## 9. Amendments to the Articles of Association

### 9.1. Extension and increase of the authorized share capital (article 3b of the Articles of Association)

The Board of Directors **proposes** to (i) increase the authorized share capital in an amount of CHF 6,589,521 raising the authorized share capital from CHF 7,692,494 to CHF 14,282,015 and accordingly (ii) to adopt a new article 3b of the Articles of Association as follows:

Version telle que proposée par le Conseil d'administration (texte actuel et inchangé en caractères normaux; suppressions en gras, italique et barré; modifications en gras et italique):	Version as proposed by the Board of Directors (current and unchanged wording in normal font; deletions in bold, italics and stricken through; amendments in bold and italics):
Texte faisant foi / Binding version:	Traduction informelle en anglais / Informal English translation:
<p><b>Article 3b</b> <b>Capital-actions autorisé</b></p> <p>Jusqu'au <del>22 juin 2019</del> <b>20 juin 2020</b>, le conseil d'administration peut augmenter le capital-actions d'un montant de <del>CHF 7'692'494.-</del> <b>14'282'015.-</b> par l'émission de <del>7'692'494</del> <b>14'282'015</b> actions nominatives entièrement libérées d'une valeur nominale de CHF 1 chacune. Une augmentation du capital-actions en plusieurs tranches est autorisée. Le conseil d'administration détermine le prix d'émission, le moyen de paiement, la date d'émission des nouvelles actions, les conditions d'exercice des droits de souscription préférentiels et la date à partir de laquelle les nouvelles actions donnent droit au paiement d'un dividende. A cet égard, le conseil d'administration peut émettre de nouvelles actions par une souscription ferme opérée au travers d'une institution bancaire, d'un syndicat ou de tout autre tiers comprenant une offre subséquente de ces actions aux actionnaires actuels (à moins que les droits de souscription préférentiels des actionnaires actuels ne soient supprimés). Le conseil d'administration peut laisser se périmer les droits de souscription préférentiels qui n'ont pas été exercés; il peut également vendre aux conditions du marché ces droits et/ou les actions liées aux droits de souscription préférentiels accordés mais non exercés, ou les utiliser dans un autre but conforme à l'intérêt de la Société. (...)</p>	<p><b>Article 3b</b> <b>Authorized Share Capital</b></p> <p>The Board of Directors shall be authorized, at any time until <del>22 June 2019</del> <b>20 June 2020</b> to increase the share capital in an amount of <del>CHF 7'692'494.-</del> <b>14'282'015.-</b> through the issuance of <del>7'692'494</del> <b>14'282'015</b> fully paid registered shares with a nominal value of CHF 1 each. An increase in partial amounts shall be permitted. The Board of Directors shall determine the issue price, the type of payment, the date of issue of new shares, the conditions for the exercise of pre-emptive rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party with a subsequent offer of these shares to the current shareholders (unless the pre-emptive rights of current shareholders are excluded). The Board of Directors may permit pre-emptive rights that have not been exercised to expire or it may place these rights and/or shares as to which pre-emptive rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company. (...)</p>

### Explanations

Since the beginning of the ongoing business year 2018, the Board of Directors has increased the issued share capital through an ordinary capital increase which was approved by the general meeting on 16 March 2018. At present, the Company has an authorized share capital of CHF 7,692,494 authorizing the Board of Directors to issue up to 7,692,494 shares with a nominal value of CHF 1 each. This authorized share capital shall expire on 22 June 2019. The Board of Directors would like to retain full flexibility in connection with possible future financing of the Company and hence proposes to increase the amount of the authorized share capital to CHF 14,282,015 and extend its term until 20 June 2020.

## 9.2. Increase of the conditional share capital (article 3c of the Articles of Association)

The Board of Directors **proposes** (i) to increase the conditional share capital in a total amount of CHF 6,730,987 from CHF 7,551,028 to CHF 14,282,015 as further explained below and accordingly (ii) to amend article 3c of the Articles of Association as follows:

Version telle que proposée par le Conseil d'administration (texte actuel et inchangé en caractères normaux; suppressions en gras, italique et barré; modifications en gras et italique):	Version as proposed by the Board of Directors (current and unchanged wording in normal font; deletions in bold, italics and stricken through; amendments in bold and italics):
Texte faisant foi / Binding version:	Traduction informelle en anglais / Informal English translation:
<b>Article 3c</b> <b>Capital-actions conditionnel</b>  A) Le capital-actions de la Société peut être augmenté d'un montant total maximum de <del>CHF 1'684'130.-</del> <b>CHF 8'415'117.-</b> par l'émission de <del>1'684'130 8'415'117</del> actions nominatives au maximum, entièrement libérées et d'une valeur nominale de CHF 1 chacune, liées à l'exercice des droits d'option ou des droits de souscription attachés aux bons de jouissance attribués aux employés, aux membres du conseil d'administration et/ou aux consultants de la Société ou d'une autre société du groupe en fonction des règles respectives adoptées par le conseil d'administration. Les droits de souscription préférentiels des actionnaires sont exclus. L'acquisition d'actions nominatives par l'exercice des droits d'option ou des droits de souscription attachés aux bons de jouissance et le transfert subséquent des actions nominatives sont soumis aux restrictions prévues à l'article 5 des présents Statuts.	<b>Article 3c</b> <b>Conditional Share Capital</b>  A) The share capital of the Company may be increased by a maximum aggregate amount of <del>CHF 1'684'130.-</del> <b>CHF 8'415'117.-</b> through the issuance of a maximum of <del>1'684'130 8'415'117</del> registered shares, which shall be fully paid-in, with a par value of CHF 1 per share by the exercise of option rights or subscription rights attached to bons de jouissance which the employees, directors and/or consultants of the Company or a group company are granted according to respective regulations of the Board of Directors. The pre-emptive rights of the shareholders are excluded. The acquisition of registered shares through the exercise of option rights or subscription rights granted to the holders of bons de jouissance and the subsequent transfer of the registered shares shall be subject to the transfer restrictions provided in Article 5 of the Articles of Association.

### *Explanations*

At present, the Company has a conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 1,684,130 by issuing a maximum of up to 1,684,130 shares with a nominal value of CHF 1 each, under the exclusion of shareholders' pre-emptive rights, to directors, employees or consultants of the Company or a Group company who exercise option rights or subscription rights attached to bons de jouissance granted to them under the Company's equity incentive plans. At present the Company has outstanding subscription rights of 3,226,696. The Board of Directors would like to continue the targeted use of options and subscription rights as a long-term incentive and as a means to motivate directors, employees and consultants to invest further in Addex shares, and hence proposes to increase the amount of conditional share capital reserved for such purposes in an amount of CHF 6,730,987 from CHF 1,684,130 to CHF 8,415,117.

## 10. Compensation of the members of the Board of Directors and of the Executive Management

### 10.1. Compensation of the members of the Board of Directors

#### 10.1.1. For the period from the 2017 AGM to 2018 AGM

The Board of Directors **proposes** the approval of an additional compensation amount of CHF 61,440 for members of the Board of Directors for the period from the 2017 AGM until the 2018 AGM.

### *Explanations*

At the 2017 AGM the shareholders approved a maximum total compensation amount of CHF 300,000 for members of the Board of Directors for the period from the 2017 AGM until the 2018 AGM. The proposed additional amount of CHF 61,440 covers the fair value of the variable equity incentive unit grants which had been underestimated at the 2017 AGM.

#### **10.1.2. For the period from the 2018 AGM to 2019 AGM**

The Board of Directors **proposes** the approval of the maximum total compensation amount of CHF 500,000 for members of the Board of Directors for the period from the 2018 AGM until the 2019 AGM.

##### *Explanations*

The proposed amount covers the fixed monetary compensation, variable monetary compensation based on board meeting attendance, the fair value of the variable equity incentive unit grants and related social security contributions. The proposed amount has been increased to CHF 500,000 compared to CHF 300,000 in prior period due to expected new hires and equity incentive grants. For the period from the 2017 AGM to the 2018 AGM, the total compensation for the Board was CHF 361,440. Further details are available in the Compensation Report 2017.

### **10.2. Compensation of the members of the Executive Management**

#### **10.2.1. For the financial year 2018**

The Board of Directors **proposes** the approval of an additional compensation amount of CHF1,000,000 for members of the Executive Management for the period from 1 January to 31 December 2018.

##### *Explanations*

At the 2017 AGM the shareholders approved a maximum total compensation amount of CHF3,000,000 for members of the Executive Management for the period from 1 January to 31 December 2018. Following the capital increase of 28 March 2018, we expect to expand the Executive Management and therefore propose an additional amount of CHF1,000,000 to cover the fair value of the variable equity incentive unit grants which had been underestimated at the 2017 AGM. Should this additional amount be approved then the maximum total compensation amount for members of the Executive Management for the period 1 January to 31 December 2018 would be CHF 4,000,000.

#### **10.2.2. For the financial year 2019**

The Board of Directors **proposes** the approval of the maximum total compensation amount of CHF4,000,000 for members of the Executive Management for the period from 1 January to 31 December 2019.

##### *Explanations*

The proposed amount covers the fixed monetary compensation, variable monetary compensation based on performance, the fair value of the variable equity incentive unit grants and related social security contributions. The proposed amount has been maintained at the revised 2018 amount of CHF4,000,000. For the period from 1 January to 31 December 2017, the total compensation for the Executive Management was CHF2,415,208. Further details are available in the Compensation Report 2017.

On behalf of the Board of Directors of Addex Therapeutics Ltd

Vincent Lawton, Chairman

Enclosures:

- Registration and Power of Attorney Form
- Return envelope to Addex Therapeutics Ltd, Aktienregister, c/o ShareCommService AG, Europastrasse 29, CH-8152 Glattbrugg

## **Attendance Procedures and Documentation**

### **Registration and Participation to the Annual General Meeting**

Only shareholders entered in the share register with the right to vote on 13 June 2018 will be entitled to participate in the AGM. From 14 June 2018 until 20 June 2018 no registrations will be entered in the share register. Shareholders with the right to vote will receive their admission cards upon request using the Registration and Power of Attorney Form enclosed with this invitation. The Registration and Power of Attorney Form should be sent to the Company's share register (ShareCommService AG, Aktienregister der Addex Therapeutics Ltd, Europastrasse 29, CH-8152 Glattbrugg) as soon as possible. Admission cards will be sent out starting 13 June 2018.

Please note that you do not need to attend the AGM in person and that you may be represented by:

- a) Robert P. Briner, attorney-at-law, Briner & Brunisholz, Cours des Bastions 5, CH-1205 Geneva, as independent voting rights representative.

If you do not provide specific written voting instructions, you instruct, by signing the Registration and Power of Attorney Form or submitting your instructions electronically, the Independent Voting Rights Representative to exercise your voting rights in accordance with the proposals of the Board of Directors with regard to the items listed in this invitation. If new agenda items (other than those in this invitation) or new proposals or motions with respect to those agenda items set forth in this invitation are put forth before the AGM, you instruct, in the absence of other specific instructions, the Independent Voting Rights Representative to exercise your voting rights in accordance with the recommendation of the Board of Directors. To the extent the voting instructions are not clear, the shares will be deemed non-represented.

Shareholders may cast their votes online by issuing electronic authorizations and instructions to the Independent Voting Rights Representative. The necessary individual login data is enclosed with the meeting materials supplied to each shareholder. Shareholders may vote electronically, or change any instructions they may have communicated electronically until 18 June 2018, 11.00 am. Shareholders who voted electronically are then not permitted to cast their votes at the AGM in person, but can attend the AGM as guests.

- b) a proxy which can be another person who does not need to be a shareholder.

To authorize another person you have to indicate this person's name on the proxy form on the reverse side of the admission card, which you will receive upon request using the Registration and Power of Attorney Form enclosed with this invitation. In order to allow the authorized person to participate in the AGM you need to hand the admission card to that person.

### **Documentation**

The invitation to the AGM, the agenda and the proposals of the Board of Directors have been sent to the duly registered shareholders of the Company.

The Annual Report, including the Annual Financial Statements, the Group Consolidated Financial Statements for the business year 2017 containing the reports of the Auditors and the French text of the Articles of Association will be mailed upon request, which may be made by returning the Registration and Power of Attorney Form enclosed with this invitation.

The Annual Report and the French text of the Articles of Association are also available to the shareholders at the Company's head office at c/o TMD Advisory, Fongit, Blue Box, Chemin du Pré-Fleuri 3, 1228 Plan-les-Ouates, Geneva, Switzerland. The Annual Report can further be viewed on the internet via <http://www.addextherapeutics.com/investors/downloads/>.

### **Language**

The AGM will be held in English.

There will be no simultaneous translation of the AGM.

