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The Board of Directors of AroCell proposes a 100 percent secured rights issue of approximately SEK 86 million

The Board of Directors of AroCell AB (publ) ("AroCell" or the "Company") has today decided to summon to an Extraordinary General Meeting on 19 January 2022 to propose the Extraordinary General Meeting to resolve to carry out a rights issue of shares with preferential rights for the Company's existing shareholders of approximately SEK 86 million (the "Rights Issue"). The Company has received subscription commitments and has entered into agreements on guarantee commitments of approximately SEK 86 million, which secures the Rights issue up to 100 percent. AroCell will use the proceeds from the Rights Issue to finance the process of receiving FDA approval for UBD Rapid and AroCell TK 210 ELISA in the US as well as the process of receiving IVDR approval for UBC Rapid 2.0 and TK 210 ELISA in Europe. Furthermore, the Company will use the proceeds from the Rights Issue for sales and marketing activities for existing products, product development and repayment of an existing conditional shareholder contribution from the Company's largest shareholder, Labbex Förvaltnings AB.

Summary

- Each existing share in the Company held on the record date 26 January 2022 entitles to one (1) subscription right. One (1) subscription right entitle to subscription of one (1) new share, i. e., a subscription ratio of 1:1.
- The subscription price is SEK 0.75 per new share, which, assuming the Rights Issue is fully subscribed, results in the Company receiving issue proceeds of approximately SEK 86 million before deduction of transaction costs.
- The record date for the Rights Issue is 26 January 2022 and the subscription period runs from and including 31 January 2022 up to and including 14 February 2022.
- The last day of trading in the AroCell share including the right to participate in the Rights Issue is 24 January 2022.
- The Company has received subscription commitments and has entered into agreements on guarantee commitments of approximately SEK 86 million, which secures the Rights issue up to 100 percent.
- The Company intends to publish a prospectus regarding the Rights Issue around 26 January 2022.

Background and reason for the Rights Issue

The Board of Directors in AroCell assesses that the existing working capital is not sufficient to finance the Company's capital needs and the commitments specified below for the coming twelve-month period. AroCell is now carrying out the Rights Issue, which if fully subscribed can provide the Company with approximately SEK 86 million, before deductions for issue costs. The expected net proceeds from the Rights Issue will, in the following order of priority and with an approximate proportion indicated in percentages, be used for:

- Approximately 15 percent of the net proceeds will be used for sales and marketing activities.
- Approximately 40 percent of the net proceeds will be used for the FDA approval process for UBD Rapid and AroCell TK 210 ELISA in the US.
- Approximately 25 percent of the net proceeds will be used for the IVDR approval process for UBC Rapid 2.0 and TK 210 ELISA in Europe.
- Approximately 13 percent of the net proceeds will be used for product development.
- Approximately 7 percent of the net proceeds will be used for repayment of a conditional shareholder contribution from Labbex Förvalnings AB.

Terms of the Rights Issue

Those who are registered as shareholders on the record date, 26 January 2022, have the preferential right to subscribe for new shares in the Rights Issue in relation to the number of shares held on the record date. One (1) existing share in the Company entitles to one (1) subscription right. One (1) subscription right entitle to subscription of one (1) new share, i.e., a subscription ratio of 1:1. In addition, investors are offered the possibility to subscribe for shares without subscription rights.

The subscription price is SEK 0.75 per new share. Provided that the Rights Issue is fully subscribed, the share capital will increase by a maximum of SEK 11,461,313.30 by a new issue of a maximum of 114,613,133 new shares, meaning that the share capital after the Rights Issue will amount to SEK 22,922,626.60 distributed by 229,226,266 shares. In the event of full subscription, the Rights Issue will provide AroCell with approximately SEK 86 million before deduction of issue costs. Shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully subscribed, have their ownership diluted by approximately 50 percent, but are able to financially compensate for this dilution by selling their subscription rights.

Subscription of shares shall take place during the period from and including 31 January 2022 to and including 14 February 2022. The board has the right to extend the subscription and payment period. A possible extension of the subscription period shall be announced by press release no later than the last subscription day in the Rights Issue, i.e. 14 February 2022. Trading in subscription rights takes place on Nasdaq First North Growth Market during the period from and including 31 January 2022 to and including 9 February 2022 and trading in paid subscribed shares (Sw. Betalda tecknade aktier) during the period from and including 31 January 2022 until the Rights Issue has been registered with the Swedish Companies Registration Office (Sw. Bolagsverket).

Subscription commitments and guarantee commitments

AroCell has received subscription commitments from a selection of the Company's larger existing shareholders, amounting to approximately SEK 20.1 million, corresponding to approximately 23.4 percent of the Rights Issue. Furthermore, the Company has entered into agreements on guarantee commitments in the form of a so-called bottom guarantee of approximately SEK 55.0 million, corresponding to approximately 64.0 percent of the Rights Issue, and a so-called top guarantee of approximately SEK 10.8 million, corresponding to approximately 12.6 percent of the Rights Issue. The bottom guarantee ensures, provided that subscription corresponds to at least the subscription commitments, that approximately 87.4 percent of the Rights Issue is subscribed and paid for. Through the top guarantee, provided that subscription corresponds to at least the subscription commitments and the bottom guarantee, that 100 percent of the Rights Issue is subscribed and paid for.

For the guarantee commitments, compensation is paid either in cash or in the form of newly issued shares in the Company. The subscription price for any shares issued to guarantors shall correspond to 90 percent of the volume-weighted average share price (VWAP) for the Company's share on Nasdaq First North Growth Market during the subscription period in the Rights Issue (i.e. during the period 31 January – 14 February 2022), however no lower than the subscription price in the Rights Issue.

Prospectus

Full terms and conditions for the Rights Issue, as well as other information about the Company and information about subscription commitments and guarantee commitments will be presented in the prospectus that the Company is expected to publish around 26 January 2022 (the "**Prospectus**").

Preliminary timeline for the Rights Issue

26 January 2022	Estimated publication of prospectus
26 January 2022	Record date
31 January – 9 February 2022	Trading in subscription rights
31 January – 14 February 2022	Subscription period
31 January 2022 – Until the Rights Issue is registered at the Swedish Companies Registration Office	Trading in paid subscription shares (Sw. "BTA")
9 February 2022	Last day of trading incl. preferential rights
10 February 2022	First day of trading excl. preferential rights

Around 17 February 2022

Estimated publication of
outcome in the Rights Issue

Extraordinary General Meeting

The Board has today decided to summon to an Extraordinary General Meeting on 19 January 2022. A formal notice of the Extraordinary General Meeting will be announced by AroCell in the near future.

Advisers

Redeye AB acts as financial adviser and Wigge & Partners Advokat KB acts as legal adviser in connection with the Rights Issue. Nordic Issuing acts as issuing agent in connection with the Rights Issue.

IMPORTANT INFORMATION

The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in AroCell. No action has been taken and measures will not be taken to allow an offer to the public in any jurisdiction other than Sweden. The invitation to interested persons to subscribe for shares in AroCell will only be made through the Prospectus, which the Company intends on publishing around 26 January 2022.

Neither subscription rights, paid subscribed shares ("**BTA**") nor newly issued shares have been recommended or approved by any US federal or state securities authority or regulatory authority. No subscription rights, BTAs or newly issued shares have been registered or will be registered under the United States Securities Act of 1933 in its current wording, or under any other applicable law in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or in any other country where the Rights Issue or Private Placement or distribution of the press release is contrary to applicable laws or regulations or requires that further prospectuses be prepared, registered or that any other measure is taken in addition to what is required by Swedish law. Accordingly, the press release, as well as the prospectus, application form and other documents attributable to the Rights Issue and Private Placement, may not be distributed to or within any such jurisdiction.

This announcement may include forward-looking statements, which are based on AroCell's current expectations and projections about future events and financial and operational development. Words such as "intends", "will", "expects", "anticipates", "may", "plans", "estimates", and other expressions that imply indications or predictions of future developments or trends, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information does not constitute a guarantee of future performance or development and actual results may differ materially from what is expressed in forward-looking information.

This information, the opinions, and forward-looking statements contained in this announcement, are applied only at this date and are subject to change without notice. AroCell makes no commitments to disclose updates or revisions to forward-looking information, future events or similar circumstances, other than as required by applicable law

This English announcement is an unofficial translation of the original Swedish announcement. In case of any discrepancies between the Swedish announcement and the English translation, the Swedish announcement shall prevail.

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About AroCell

AroCell AB (publ) is a Swedish company that develops and markets blood and urine sample tests. The corporation specializes in oncology and bacteriology. The company has a broad product portfolio, used in healthcare and established in various markets. In oncology, AroCell uses various biomarkers, TK1 and cytokeratins, to support the treatment of various cancers such as breast, prostate, and bladder cancers. AroCell's product portfolio also includes a rapid bacteriological test for a simple and safe diagnosis of typhoid fever. AroCell (AROC) is listed on Nasdaq First North Growth Market with Redeye AB as Certified Adviser: Certifiedadviser@redeye.se, +46 (0)8 121 576 90. For more information; www.arocell.com

This information is information that AroCell is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-12-17 08:00 CET.

Attachments

[The Board of Directors of AroCell proposes a 100 percent secured rights issue of approximately SEK 86 million](#)