

Statement from the Board of Directors of Toleranzia AB regarding Flerie Invest's mandatory bid

The Board of Directors of Toleranzia AB (publ) ("Toleranzia" or the "Company") recommends that the shareholders of Toleranzia do not accept the mandatory bid of SEK 1.02 per share in Toleranzia submitted by Flerie Invest AB ("Flerie Invest") on 14 November 2022.

Background

This statement is made by the Board of Directors of Toleranzia in accordance with section II.19 of the takeover rules for certain trading platforms issued by the Swedish corporate governance board (the "**Takeover Rules**").

On 14 November 2022, Flerie Invest has made a mandatory bid to the shareholders of Toleranzia in accordance with the Takeover Rules, whereby Flerie Invest offers to acquire all outstanding shares in Toleranzia at a price of SEK 1.02 in cash per share in Toleranzia (the "**Mandatory Bid**").

The offered consideration of SEK 1.02 per share in Toleranzia represents a discount of approximately 6.8 per cent compared to the closing price of Toleranzia's share on Nasdaq First North Growth Market of SEK 1.095 on 11 November 2022, the last trading day before the announcement of the Mandatory Bid. The offered consideration represents a premium of approximately 0.7 per cent compared to the average volume weighted closing price of Toleranzia's share of SEK 1.013 over the last 20 trading days up to and including 11 November 2022. Compared to the closing price of SEK 0.998 per share of Toleranzia on 1 November 2022, the last trading day before the announcement of the Mandatory Bid obligation, the Mandatory Bid represents a premium of approximately 2.2 per cent.

The acceptance period for the Mandatory Bid runs from 16 November 2022 until 14 December 2022. The Mandatory Bid is intended to be completed irrespective of the degree of affiliation and Flerie Invest does not impose any other conditions on the completion of the Mandatory Bid. The Mandatory Bid will be financed through existing funds. For further information on the Mandatory Bid, please refer to Flerie Invest's press release published on 14 November 2022 and the offer document published by Flerie Invest on 15 November 2022.

Thomas Eldered, member of the Board of Toleranzia, is an indirect owner and member of the Board of Flerie Invest and therefore, due to a conflict of interest, may not participate in the Board's deliberations or decisions regarding the Mandatory Bid. The Board has commissioned Carlsquare AB ("Carlsquare") to provide a fairness opinion in support of the Board's statement regarding the Mandatory Bid in accordance with IV.3 of the Takeover Rules. The valuation opinion is attached to this press release. For the valuation opinion, Carlsquare will receive a fixed fee that is independent of the amount of the offer consideration and the degree of affiliation.

Board recommendation

The Board has evaluated the Mandatory Bid in accordance with the Takeover Rules. The Board bases its opinion of the Mandatory Bid on an overall assessment of a number of factors that the Board considers relevant in evaluating the Mandatory Bid. These factors include, but are not limited to, the current market price of Toleranzia's shares, the Company's strategic and financial position, current and anticipated market conditions, and the Company's expected future performance and long-term value creation, including the associated opportunities and risks.

In evaluating the Mandatory Bid, the Board has taken into account the general development of the segments in which Toleranzia operates and the prospects for long-term value creation in the Company. Furthermore, the Board has analysed the Company's valuation in relation to comparable companies as well as the Board's view of the Company's value based on a product portfolio with high potential and the Company's expected long-term cash flow. The Board's assessment is that Toleranzia has a strong position and that the long-term potential of Toleranzia is not taken into account in the Bid.

The Board has noted that Flerie Invest does not have the ambition to acquire all outstanding shares in Toleranzia and that the Mandatory Bid was prompted by legal requirements.

Carlsquare's fairness opinion states that Carlsquare believes that, subject to the conditions and assumptions set out in the opinion, the Bid does not reflect the fundamental value of Toleranzia and that the Bid is not considered fair to the shareholders of Toleranzia.

Against this background, the Board of Directors recommends that shareholders do not accept the Mandatory Bid.

The Board of Directors wishes to inform you that all members of the Board of Directors who, directly or indirectly, hold shares in Toleranzia do not intend to accept the Mandatory Bid in respect of their own holdings. Notwithstanding its recommendation to the shareholders above, the Board wishes to emphasise that the shareholders of Toleranzia should take into account that the liquidity of Toleranzia's share may deteriorate if Flerie Invest acquires a larger amount of shares through the Mandatory Bid.

Impact on Toleranzia

In accordance with the Takeover Rules, the Board of Directors shall state its view on the impact that Flerie Invest's bid may have on the Company's operations, including employment in the locations where Toleranzia operates. Furthermore, the Board shall state its views on Flerie Invest's strategy for Toleranzia.

Based on the information received by the Board, it is assessed that Flerie Invest's ownership in Toleranzia will not result in any material change in Toleranzia's operations or employment at the locations where the Company operates. Flerie Invest, which has extensive experience in owning

and developing companies of Toleranzia's type, is deemed to have a long-term view of Toleranzia's business and an ambition to continue to act as an active owner with a strong commitment to the Company, and the Board therefore considers that the Mandatory Bid will not have an immediate material impact on the Company's strategy.

Other

Swedish law shall apply to this statement and the statement shall be interpreted accordingly. Any dispute arising from the statement shall be settled exclusively by the Swedish courts.

Advisor

The Board of Directors has engaged Eversheds Sutherland Advokatbyrå AB as legal advisor in connection with the Bid.

Toleranzia AB

Board of Directors

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About Toleranzia AB (publ)

Toleranzia AB (publ) develops drugs that harness the power of the immune system for the treatment of autoimmune orphan diseases. The drugs, which target the cause of the disease, can cure or significantly alleviate the disease and not, like current treatments, merely reduce the symptoms. They have the potential to be the first long-acting or curative therapies that act specifically on the underlying cause of the autoimmune orphan disease for which they are being developed. Toleranzia's shares are listed on the Nasdaq First North Growth Market and Mangold Fondkommission AB, 08-503 015 50, CA@mangold.se, is the Company's Certified Adviser.

Attachments

[Statement from the Board of Directors of Toleranzia AB regarding Flerie Invest's mandatory bid](#)
[Fairness Opinion By Carlsquare](#)