

Toleranzia AB (publ): The board of directors proposes extraordinary general meeting to resolve on a directed share issue of up to circa SEK 42 million and to elect a new board member

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The board of directors of Toleranzia AB (publ) ("Toleranzia" or the "Company") has today decided to propose the extraordinary general meeting to resolve on a directed issue of up to **31,818,183** shares (the "Share Issue"). The subscription price amounts to SEK 1.32 per share and, given that the extraordinary general meeting votes in accordance with the board's proposal and the Share Issue is fully subscribed, the Share Issue will provide the Company with up to approximately SEK 42 million. The Share Issue is directed to Flerie Invest AB, which is controlled by Thomas Eldered and which has committed to subscribe for a maximum of **30,303,031** shares corresponding to a up to approximately SEK 40 million of the issue proceeds, and to Nordic Tender Aktiebolag, which has committed to subscribe for **1,515,152** shares corresponding to approximately SEK 2 million of the issue proceeds. The amount of shares Flerie Invest AB has committed to subscribe is conditioned on that Flerie Invest AB's holding in the Company following the Share Issue does not entail a mandatory bid obligation.

The purpose of the Share Issue is to fund an enhanced clinical trial program that can shorten the development time and increase the commercial potential of the Company's drug candidate TOL2 – one of the Company's potentially curative treatments for severe autoimmune diseases. Furthermore, the board intends to propose the election of Thomas Eldered as a new board member of the Company. The notice to an extraordinary general meeting to resolve on the Share Issue and to elect Thomas Eldered as a new board member will be published in a separate press release.

Toleranzia's drug candidates have the potential to restore the immune system's normal ability to tolerate the endogenous substances that are mistakenly targeted in the development of severe autoimmune diseases. The company's most advanced drug candidate, TOL2, is being developed to cure myasthenia gravis - an autoimmune nerve and muscle disease that often leads to severe muscle weakness and a difficult life situation for sufferers.

"The fact that such an experienced and reputable investor as Flerie Invest AB wishes to commit as a new major shareholder in Toleranzia represents a clear external validation of the high level of innovation and commercial potential of our pharmaceutical projects. With the capital injection from the Share Issue, we can increase the investment in the planned Phase I/IIa clinical study of our

most advanced drug candidate TOL2 to shorten the development time and generate significantly stronger clinical data for a subsequent registration study", says Toleranzia's CEO, Charlotte Fribert.

"We are impressed by the early efficacy data that Toleranzia has been able to present for its drug candidates. Although much work remains to be done, we believe the Company has great potential to develop an entirely new type of treatment for a range of severe autoimmune diseases. The ambition is to provide patients with drugs that are not only symptomatic but even curative and that cause fewer side effects than current therapies, based on the ability to specifically target the very immune responses that trigger the diseases", comments Thomas Elderred, President, Flerie Invest AB.

The Share Issue

The board of directors of Toleranzia has today decided to propose the extraordinary general meeting to increase the Company's share capital with a maximum of SEK 3,977,272,875 through a directed issue of a maximum of 31,818,183 shares. The Share Issue is directed to Flerie Invest AB, a pharmaceutical-focused investment company founded by Recipharm's former CEO Thomas Elderred, and Lars Molinder's wholly owned company Nordic Tender Aktiebolag, a financial advisory company primarily active in the medical and biotech industry. Flerie Invest AB intends to subscribe for a maximum of 30,303,031 shares corresponding to up to approximately SEK 40 million of the issue proceeds and Nordic Tender Aktiebolag intends to subscribe for 1,515,152 shares corresponding to approximately SEK 2 million of the issue proceeds.

The subscription price amounts to SEK 1.32 per share, corresponding to issue proceeds of up to approximately SEK 42 million before transaction-related costs. The net proceeds will be used to increase the investment to the planned Phase I/IIa clinical study of the Company's drug candidate TOL2 – a potentially curative treatment for the autoimmune disease myasthenia gravis.

The subscription price amounts to the volume weighted average price (VWAP) in the Company's shares during the past ten trading days on Nasdaq First North Growth Market and is deemed to reflect current market conditions and demand. The reasons for the deviation from the shareholders' preferential rights are to provide the Company with a strategically important shareholder and to carry out a capital raise in a timely and cost-effective manner.

Given that the extraordinary general meeting resolves in accordance with the board's proposal and the Share Issue is fully subscribed, the Company's share capital will increase by SEK 3,977,272,875 from today SEK 6,793,255,125 to SEK 10,770,528 and the number of shares in the Company with a maximum of 31,818,183 shares from 54,346,041 shares to 86,164,224 shares. The Share Issue then results in a dilution for existing shareholders of up to approximately 36.9 per cent of the number of shares and votes in the Company.

Flerie Invest AB's subscription commitment

The exercise period for the Company's outstanding warrants of series TO3 commences from 1 September 2021 to 15 September 2021, whereby the holder is entitled to subscribe for new shares in the Company to a subscription price amounting to 70 per cent of the volume weighted average price in the Company's share during the period 16 August 2021 – 27 August 2021. Exercise of

warrants of series TO3 entails an increase of the number of shares in the Company.

Taking the above into account as well as the rules regarding mandatory bid obligations, the number of shares included in Flerie Invest AB's subscription commitment is conditional on that Flerie Invest AB's holding, as a result of the subscription of new shares, does not entail a mandatory bid obligation. Thus, subscription of shares in the Share Issue shall only be made to such extent that a mandatory bid obligation does not occur.

Extraordinary general meeting

The board of directors intends to convene an extraordinary general meeting to be held on or around 16 September 2021 for the approval of the Share Issue. The board also intends to propose that the extraordinary general meeting elects Thomas Eldered as a new board member of the Company. Due to Thomas Eldered having controlling influence over Flerie Invest AB the Share Issue is covered by the so-called Leo Act (Chapter 16 of the Swedish Companies Act) and thus requires a nine tenth (9/10) majority.

Thomas Eldered (b. 1960) holds a Master's degree in Industrial Engineering and is co-founder of Recipharm AB, where he served as CEO from 2008 to 2021. He is currently chairman of the board of Amarna Therapeutics BV and Prokarium Ltd, and a member of the Board of Buzzard Pharmaceuticals AB, Chromafora AB, Flerie Invest AB, Flerie Participation AB, Kahr Medical Ltd, Nanologica AB, Provell Pharmaceutical LLC, Recipharm AB and Sixera Pharma AB, among others.

Notice to the extraordinary general meeting will be published in a separate press release.

Advisor

Eversheds Sutherland Advokatbyrå AB is legal advisor to Toleranzia in connection with the Share Issue.

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About Toleranzia AB

Toleranzia AB (556877-2866) is a Swedish biotechnology company listed on Nasdaq First North Growth Market. The company 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 alleviate or cure 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 main focus is the autoimmune nerve and muscle disease myasthenia gravis (MG), for which it is developing the drug candidate TOL2. In addition, Toleranzia is working on the autoimmune blood vessel disease ANCA-vasculitis, for which it is developing the drug candidate TOL3. Both diseases are so-called orphan diseases and both have a high unmet medical need and market potential. Toleranzia was founded by researchers at the University of Gothenburg. The

company is based at the Biotech Center in Gothenburg. For further information, please visit: www.toleranzia.se.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

This information is information that Toleranzia 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 2021-08-09 23:35 CEST.

Attachments

[Toleranzia AB \(publ\): The board of directors proposes extraordinary general meeting to resolve on a directed share issue of up to circa SEK 42 million and to elect a new board member](#)