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PRESS RELEASE
PledPharma AB (publ)

PledPharma to acquire Rare Thyroid Therapeutics, creating a new focused orphan drug development company

- **After the completion of the acquisition, the Company will have core expertise in late-stage clinical development, registration and commercialization in the attractive orphan segment**
- **Two orphan drug assets entering pivotal studies: Emcitate® and Aladote®**
- **Clear path to launch in EU and US through niche commercial organization within approx 3 years**
- **The Company carries out a fully guaranteed rights issue of approx. 200 MSEK to finance development of Emcitate and Aladote to market approval and initial commercial preparations**

Stockholm, Sweden, October 5, 2020. PledPharma AB (publ) (STO: PLED) ("PledPharma" or the "Company") has today entered into an agreement to acquire all outstanding shares in Rare Thyroid Therapeutics International AB ("RTT" or "Rare Thyroid Therapeutics"), a privately held drug development company with the ultra-orphan asset Emcitate (the "Transaction"). The purchase price for the shares in RTT consists of a cash purchase price in the amount of 60 MSEK, funded from own cash-in-hand, which will be paid on closing and a share purchase price consisting of 63,773,345 new shares in PledPharma. In addition, the sellers of RTT are entitled to earnout payments based on the future net sales of Emcitate as well an earnout which is payable in connection with a potential sale of a so-called US Rare Pediatric Disease Priority Review Voucher. The Board of Directors in PledPharma has resolved, subject to the general meeting's subsequent approval, on an issue of 63,773,345 shares to the current shareholders off RTT against payment in kind in the form of shares in RTT. The Board of Directors has further resolved, subject to the general meeting's subsequent approval, on a fully guaranteed share issue with preferential rights for existing shareholders in the amount of approx. 200 MSEK and to propose that the general meeting authorizes the Board of Directors to resolve on an over-allotment option in the amount of approx. 50 MSEK, please refer to a separate press release for more information. The Transaction is conditioned on that the general meeting approves the Board of Directors' resolutions regarding the rights issue and the in-kind issue. The Transaction is expected to be completed in early November 2020 provided that the condition described above has been fulfilled. The company has the intention to change its name to Egetis Therapeutics AB.

About Rare Thyroid Therapeutics and the commercial rationale for the Transaction

RTT is a privately held clinical stage research and development company, based in Stockholm, Sweden, specialized in therapies for rare thyroid hormone signaling disorders, a disease area where there is a significant unmet medical need. MCT8 deficiency is a rare congenital disorder of thyroid hormone trafficking with detrimental natural history and no therapy is currently available. Approximately 1 of 70,000 males are affected. A successful Phase IIb trial with the drug candidate Emcitate addressing MCT8 deficiency has been completed. A pivotal Phase IIb/III early intervention trial in very young patients is planned to start Q4 2020. Interim results are planned to be available in 2022 and are expected to pave the way for regulatory approvals and commercial launch. Emcitate has been granted Orphan Drug Designation in both EU and the US.

"*The acquisition of RTT is an important step, building a new company with a strategic focus on the attractive orphan drug segment, with Aladote and Emcitate as the company's key assets in late stage development. The RTT team, specialized in orphan drugs, will complement PledPharma' s late stage development focused organization, building a new orphan drug company named Egetis Therapeutics, dedicated to development and commercialisation of therapies for rare diseases*," said Nicklas Westerholm, CEO, PledPharma. "*I look forward to working with the dedicated and competent RTT team with their*

proven track record from the orphan drug segment, including companies such as Sobi, Wilson Therapeutics and Medical Need Europe"

"*Emcitate and RTT's capabilities and expertise within orphan drugs fit well with the new strategy of PledPharma. The merger allows us to build a stronger combined company, dedicated to development of therapies for rare diseases. By joining forces, we will be able to run multiple programs that create critical mass, generate synergies and improve operational effectiveness*", said Peder Walberg, Founder and CEO, Rare Thyroid Therapeutics. "*Ultimately, we believe this will also benefit patients with MCT8 deficiency, who today remain without therapeutic options, and for which Emcitate holds promise to become the first approved therapy*".

PledPharma's lead drug candidate Aladote is developed to reduce the risk of acute liver injury associated with paracetamol poisoning. A proof of principle study has been successfully completed and the design of a pivotal Phase II/III study for US/EU regulatory submission is being finalized through ongoing regulatory interactions. Aladote has been granted Orphan Drug Designation in the US. The phase III POLAR program for the company's second drug candidate PledOx was prematurely stopped in Q2 2020. Results from POLAR program will determine if further development of PledOx is warranted via strategic partnerships and is expected to be announced in Q4 2020.

Through the acquisition, PledPharma clearly defines its strategic focus, creating a company focused on the development and commercialization of late-stage orphan drugs. The acquisition will generate synergies for, and improved operational efficiency in, the development and commercialization of PledPharma's orphan drug candidate Aladote. The company intends to launch Emcitate and Aladote with internal resources in the EU and the US within approximately 3 years, through a small, resource-efficient, niche commercial organization.

RTT has three employees including the Founder and CEO, Peder Walberg. During 2019 net sales amounted to 4 MSEK and was mainly driven by named patient basis sales. Cash flow from operating activities amounted to -19 MSEK. Result after financial net and result after tax amounted to - 15 MSEK. The cash flow from operating activities and the result was primarily driven by costs from the development of Emcitate.

Material terms for the Transaction

The purchase price for the shares in RTT consists of a cash purchase price in the amount of 60 MSEK, funded from own cash-in-hand, which will be paid on closing and a share purchase price consisting of 63,773,345 new shares in PledPharma (the "**Consideration Shares**"). The sellers of RTT are entitled to earnout payments based on the future sales of Emcitate. The earnout is calculated as a low single digit percentage on Emcitate net sales and is payable for as long as the product is covered by (i) market exclusivity in the United States (but at least seven years from market approval in the United States) with respect to sales in the United States, (ii) market exclusivity in Europe (but at least ten years from market approval in Europe) with respect to sales in Europe, and (iii) market exclusivity in the United States, Europe or in the relevant jurisdiction (but at least ten years from market approval in Europe), with respect to sales outside the United States and Europe. Earnout will also be payable on sales generated before market approval. Further, the sellers are entitled to an additional earnout in the form of a lump sum payment in an amount corresponding to 50% of the net proceeds in the in the event of a future sale of a potential US Rare Pediatric Disease Priority Review Voucher.

The completion of the Transaction is conditioned on that the general meeting approves the Board of Directors' resolutions regarding the Rights Issue and the In-kind Issue (as defined below). The Transaction is expected to be completed in early November 2020 provided that the condition described above has been fulfilled. RTT is expected to be consolidated in PledPharma's financial statements as per December 31, 2020.

In-kind issue

The Board of Directors in PledPharma has resolved, subject to the general meetings subsequent approval, on an issue of the Consideration Shares to the current shareholders off RTT (the "**In-kind Issue**"). The subscription price for the new shares is SEK 5.25 per share, which corresponds to a premium of 2.5 percent compared to the closing price of SEK 5.12 for the PledPharma share on Nasdaq Stockholm on October 2, 2020. Payment for the shares shall be made in-kind through contribution of non-cash consideration in the form of shares in RTT. The non-cash consideration is estimated to have a value of SEK 462,733,730 and is expected to be taken up at such value in the Company's balance sheet.

The sellers of RTT have entered into lock-up undertakings which means that the sellers undertake not to transfer, pledge or otherwise dispose of the Consideration Shares during the applicable lock-up period. For the three largest shareholders in

RTT (who together own approx. 91 percent of the shares in RTT), the lock-up undertaking applies for 100 percent of the Consideration Shares during twelve months from the date of the announcement of the outcome of the Rights Issue and for 75 percent of the Consideration Shares during 24 months from the date of the announcement of the outcome of the Rights Issue. For the minority shareholders in RTT the lock-up undertaking applies during three to six months from the date of the announcement of the outcome of the Rights Issue. The lock up undertakings are subject to customary exceptions.

By issuing the Consideration Shares, the number of shares and votes increase by 63,773,345 from 53,533,321 to 117,306,666. The share capital increases by SEK 3,356,493.09 from SEK 2,817,544.25 to SEK 6,174,037.34. The Consideration Shares represent approximately 54.4 percent of the shares and votes of PledPharma when issued. Following completion of the Rights Issue, the Consideration Shares will represent approx. 41 percent of the shares and votes. No seller of RTT will at any point in time exceed 30 percent ownership in PledPharma.

The Rights Issue

The Board of Directors has further resolved, subject to the general meeting's subsequent approval, on a fully guaranteed share issue with preferential rights for existing shareholders in the amount of approx. 200 MSEK (the "**Rights Issue**") and to propose that the general meeting authorizes the Board of Directors to resolve on an over-allotment option in the amount of approx. 50 MSEK which may be exercised if the Rights Issue is over-subscribed. (the "**Over-Allotment Option**"). The Company intends to use the proceeds to finance the development of Emcitate and Aladote to marketing approval in EU and the US, as well as to initiate commercial preparations.

The subscription price in the Rights Issue is SEK 5.25 per share, which corresponds to a premium of 2.5 percent compared to the closing price of SEK 5.12 for the PledPharma share on Nasdaq Stockholm on 2 October 2020. One (1) subscription right is received for each (1) share held at the record date November 2, 2020. Seven (7) subscription rights entitles the right to subscribe for five (5) new shares. The subscription period will run from November 9, 2020 up until November 23, 2020, with a right for the Company to extend the subscription period. Subscription of new shares without the support of subscription rights shall be possible during the same time period.

Maximum 38,238,085 new shares will be issued in the Rights Issue, entailing an increase of the Company's share capital with maximum approx. SEK 2 012 532. If the Over-Allotment is exercised an additional maximum 9,523,809 new shares will be issued, entailing an increase of the Company's share capital with maximum approx. SEK 501,253.

Additional information regarding the terms and conditions and the time plan for the Rights Issue and the Over-Allotment Option will be announced in a separate press release.

Extraordinary General Meeting on October 28, 2020

An extraordinary general meeting is planned for October 28, 2020, to resolve on the issue of the Consideration Shares, the Rights Issue and the Over-Allotment Option (the "**EGM**"). The notice to convene the EGM will be announced through a separate press release today.

The EGM will also resolve on the Nomination Committee's proposal to appoint Peder Walberg, CEO and main owner of RTT, as a new member of PledPharma's Board of Directors. The election of Peder Walberg as a board member is proposed to be conditioned on the completion of the Transaction. See the notice to convene the EGM for more information regarding Peder Walberg.

PledPharma has received irrevocable undertakings from the Fourth Swedish National Pension Fund (Fjärde AP-fonden), Nortal Investments AB (Staffan Persson) and Cidro Förvaltning AB (Peter Lindell) (the company's three largest shareholders), as well as the Company's Chairman Håkan Åström and CEO Nicklas Westerholm, to vote in favor of the issue of the Consideration Shares, the Rights Issue and the appointment of Peder Walberg as board member at the EGM. Combined, the three largest shareholders, Håkan Åström and Nicklas Westerholm represent approximately 32 percent of the total number of shares and votes of PledPharma.

Postponement of the publishing of quarterly financial statements

Due to the transaction, PledPharma's Q3 report will be published on the 11th of November (previously communicated date: 4th of November).

Intention to change the Company's name to Egetis Therapeutics AB

Conditioned upon the Completion of the Transaction and the completion of the Rights Issue, the Board of Directors intends to summon an extraordinary general meeting to be held in the later part of the fourth quarter 2020 to decide on changing the Company's name from PledPharma AB to Egetis Therapeutics AB by changing the Company's articles of association.

Investor and analyst presentation

PledPharma will host a webcast conference call on October 5, 2020, at 10.00 CET.

Follow the link below for call-in details:

Weblink – https://tv.streamfabriken.com/2020-10-05-press-conference

SE: +46850558352, UK: +443333009032, US: +18332498404

Advisers

ABG Sundal Collier AB and Pareto Securities AB act as financial advisers to PledPharma in the transaction. Advokatfirman Lindahl acts as legal adviser to the Company and Baker McKenzie acts as legal adviser to the financial advisers in the transaction.

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This information is information that PledPharma 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 2020-10-05, 08:00 CET.

Important Information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in PledPharma in any jurisdiction, neither from PledPharma nor from someone else.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or

where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus regarding the Rights Issue described in this press release will be prepared and published by the Company. The prospectus will be reviewed and approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) being the national competent authority and be published and available on the Company's website thereafter.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

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 Stockholm rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in PledPharma have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in PledPharma may decline and investors could lose all or part of their investment; the shares in PledPharma offer no guaranteed income and no capital protection; and an investment in the shares in PledPharma is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in

conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in PledPharma.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in PledPharma and determining appropriate distribution channels.

About PledPharma

PledPharma is an innovative, unique and integrated pharmaceutical drug development company, focusing on improving treatments for diseases with substantial unmet medical need. The drug candidate **Aladote®** is a first in class drug candidate developed to reduce the risk of acute liver injury associated with paracetamol poisoning. A proof of principle study has been successfully completed, and the design of the next study is being finalised. Aladote® has been granted Orphan Drug Designation in the US. The Phase III POLAR program for the drug candidate **PledOx®** was prematurely stopped in Q2 2020. Results from POLAR program will determine if further development of PledOx is warranted via strategic partnerships and is expected to be announced in Q4 2020. PledPharma (STO: PLED) is listed on the Nasdaq Stockholm main market since October 31, 2019. For more information, see http://www.pledpharma.com/

About Rare Thyroid Therapeutics

RTT is a privately held clinical stage research and development company, based in Stockholm, Sweden, specialized in therapies for rare thyroid hormone signaling disorders, a disease area which is currently underserved and where there is a significant unmet medical need. MCT8 deficiency is a rare congenital disorder of thyroid hormone trafficking with detrimental natural history and no therapy is currently available. Approximately 1 of 70,000 males are affected. A successful phase IIb trial of the drug candidate Emcitate, for addressing MCT8 deficiency, has been completed, and a pivotal (IIb/III) early intervention trial in very young subjects is planned to start Q4 2020. Interim results are estimated to be available in 2022 and are expected to pave the way for regulatory approvals and commercial launch. Emcitate has been granted Orphan Drug Designation in both EU and the US. For more information, see http://rarethyroid.com/.