

QuiaPEG enters conditional agreement on a reverse takeover and financing to enable continued business development of existing operations

QuiaPEG Pharmaceuticals Holding AB (publ) ("QuiaPEG" or the "Company") today announces that the Company has entered into a conditional agreement to acquire intellectual property rights and receive a capital injection from Rosemonkey Ltd ("Rosemonkey" and the "Reverse TakeoverTakeover", respectively). The intellectual property rights (the "IPRR") acquired consist mainly of business assets for the distribution and sale of health products containing Omega 3 (the "New Business"). The New Business has been assessed by the board of directors of the Company as an excellent complement to the Company's current operations conducted in the subsidiary QuiaPEG Pharmaceuticals AB (the "Subsidiary" and the "Existing Business", respectively) and as a way to significantly increase the Company's possibilities of achieving a positive cash flow in the short term. In connection with the potential Reverse TakeoverTakeover, the Company will be provided with funds to commercialise the existing business in order to realise as high a value as possible.

Over the past year, the board of directors of the Company has worked intensively to attract licence and collaboration partners for the Company's unique Uni-Qleaver technology platform and the two projects QPG-1029 and QPG-1030 where pre-clinical proof-of-concept has been achieved. The Company has, and is, involved in several dialogues related to the Existing Business. Since the uncertain financial market and the Company's low market cap have had a negative impact on the Company's ability to attract one or more partners, the Company has, as an alternative, also explored the possibilities of acquiring complementary businesses through a so-called reverse takeover and thereby creating manoeuvrability in

realising the values of the Existing Business. The opportunities to realise such values are considered good as the Company has also obtained patent protection in the most commercially interesting markets such as the EU, USA and Japan. A condition for the Reverse Takeover has been to ensure that current shareholders retain the commercial upside of the Existing Business, which has also been achieved. See further below under *"The continued operation of the Existing Business"*.

In light of the above, the board of directors of the Company has entered into the conditional agreement on the Reverse Takeover with Rosemonkey. The Reverse Takeover is proposed to be carried out through a directed new issue of shares in the Company to Rosemonkey (the "New Issue"). Payment for the newly issued shares in the New Issue will be made through set-off of the claims against QuiaPEG that Rosemonkey receives through the transfer of the IPR to QuiaPEG. After the New Issue, Rosemonkey will own 95 per cent of all outstanding shares in QuiaPEG, which will then be distributed to Rosemonkey's owners at the relevant time in order to meet the applicable distribution requirements. If the Reverse Takeover is completed, Rosemonkey intends to propose the appointment of a new board of directors, which will fulfil the requirements of Nasdaq. The Reverse Takeover is conditional upon an extraordinary general meeting of QuiaPEG (the "Meeting") approving all the proposed resolutions presented in this press release and Nasdaq approving the Reverse Takeover in its entirety, including the Share Issue. The Share Issue will be carried out only after all conditions for the Reverse Takeover have been fulfilled.

As a condition for the completion of the Reverse Takeover and in order to ensure that the Existing Business can be carried out in the future, the Company has needed to ensure a settlement of all of the Company's outstanding debts (the "Loans") to its current lenders (the "Lenders"). The Company today announces that an agreement has been reached with the Lenders whereby the Loans will be settled through a directed share issue to the Lenders, at the latest in connection with the Meeting, i.e. before the Reverse Takeover. Preliminarily, the Company will issue 33,211,006 new shares to the Lenders (the "Loan Issue") to ensure full settlement of the Loans. In case the Loan Issue is carried out before the Meeting, the board of directors will use its authorisation to issue shares, otherwise the issue decision will be made by the Meeting. The exact terms of the Loan Issue will be stated in a separate press release in connection with the formal decision on the Loan Issue being made by the board of directors, or alternatively in the notice to the Meeting.

The Reverse Takeover

The now proposed Reverse Takeover means in brief, if approved by the Meeting and Nasdaq, that

- Rosemonkey issues a total cash consideration to QuiaPEG of SEK 2.6 million, to be used for the purpose of creating scope to realise the values of the Existing Business.
- In the event of any future realisation of the values of the Existing Business, the existing shareholders of QuiaPEG shall benefit from the main value. For more information on the Existing Business and how the rights of existing shareholders with respect to the Existing Business are realised, see below under "*The continued operation of the Existing Business*".
- QuiaPEG acquires the IPR for the New Business from Rosemonkey for an agreed value of SEK 20 million. In addition, Rosemonkey undertakes to secure the Company's continued financing during the next twelve-month period, up to an amount of SEK 4 million. In addition, Rosemonkey undertakes to cover QuiaPEG's costs specifically related to the execution and approval of the Reverse Takeover.
- As consideration for the IPR and the cash contributed to QuiaPEG in connection with the Reverse Takeover, Rosemonkey will receive new shares in QuiaPEG corresponding to 95 per cent of all outstanding shares in the Company after both the Loan Issue and the New Issue. The newly issued shares will in turn be distributed to Rosemonkey's shareholders at the relevant time in order to fulfil the applicable distribution requirements.

Further on the New Business and the IPR

The New Business is intended to operate under the name "OM VITOS". Rosemonkey sees great potential in the increased trade in retail and sales on Amazon of health food products. OM VITOS' ambition is to establish itself as a significant player in the retail market and on Amazon in the health food segment. In addition to Amazon, the

main focus will be on sales on the markets in Sweden, Germany, Austria, the UK and the US. The vision is to become one of the leading suppliers of Omega 3 to the retail market in Europe. The company's growth is intended to be created through the company's own sales network in the above-mentioned markets and via Amazon.

The continued operation of the Existing Business

The Existing Business will continue to be conducted in the Subsidiary with the ambition to realise the values of the Existing Business and the Subsidiary over time. Any possible transfer of the Existing Business or the Subsidiary will not take place other than under such circumstances that satisfy Nasdaq's possible wishes for continued operation of the Existing Business for the foreseeable future while the New Business is further developed.

The board's intention is that the existing shareholders of QuiaPEG, i.e. the shareholders of the Company prior to the completion of the Share Issue (the "Existing Owners"), shall be entitled to the majority of the net proceeds from any future sale of the Existing Business or the Subsidiary. This is achieved by the fact that the board of directors will propose that the Meeting approves the formation of a new subsidiary of QuiaPEG ("QuiaPEG Intressenter"), which by agreement with QuiaPEG shall be entitled to the majority of the net proceeds of any sale of the Existing Business or the Subsidiary. The Meeting is further proposed to approve the distribution of the shares in QuiaPEG Intressenter to the Existing Owners. Further information regarding the continued operation of the Existing Business and the management of QuiaPEG Intressenter will be communicated to the shareholders prior to the Meeting. The record date for the distribution of all shares in QuiaPEG Intressenter will, in accordance with what is stated above, fall on such a day that the shares issued in the New Issue do not entitle to such distribution.

The Meeting

The board of directors intends to convene the Meeting and thereby submit proposals for resolutions on all of the items mentioned above. The Company's ambition is to publish such notice no later than tomorrow, 9 November 2023. The notice will include further details on the Reverse Takeover, such as detailed terms and conditions for the share issues and the distribution of QuiaPEG Intressenter etc.

Continued listing and timetable

If Nasdaq determines that the Reverse Takeover constitutes a material change to QuiaPEG's business under applicable regulations, Rosemonkey will bear all costs associated with such approval of continued listing. The Company's and Rosemonkey's ambition is to initiate discussions with Nasdaq regarding the Reverse Takeover without delay and to endeavour to complete the Reverse Takeover as soon as practically possible. QuiaPEG will keep the market informed about the Reverse Takeover and Nasdaq's handling of the matter.

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About QuiaPEG Pharmaceuticals Holding AB

QuiaPEG Pharmaceuticals Holding AB is a drug development company which focuses on research, development and commercialization of its proprietary releasable drug-delivery platform Uni-Qleaver®. The company is listed on Nasdaq First North Growth Market (ticker: QUIA). For more information, please visit www.quiapeg.com.

This information is information that QuiaPEG Pharmaceuticals Holding 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 2023-11-08 08:22 CET.

Attachments

[QuiaPEG enters conditional agreement on a reverse takeover and financing to enable continued business development of existing operations](#)