

Intellego carries out a directed issue of shares of approximately MSEK 9.0 and a directed set-off issue of shares of approximately MSEK 13.9 for acquisition financing of Daro Group

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In August 2022, Intellego entered into an agreement to acquire all shares in Daro Group for a total purchase price of GBP 6.5 million, equivalent to approximately SEK 81 million (the "Acquisition"). The payment was to be made in various installments, both through cash payments and payments with Intellego shares, as communicated via a press release on 23 August 2022. The sellers of Daro Group (the "Sellers") have asked to modify the payment structure and to receive a larger amount of Intellego shares instead of cash. Through discussions, Intellego and Daro Group has also reached the conclusion that it will provide the best long term value for the business that the remaining payment to the Sellers is settled amounting to a total of SEK 23,175,767.86. The remaining purchase price shall be paid partly in cash, amounting to SEK 9,281,740.86, and the remaining amount of SEK 13,894,027.00 to be paid in Intellego shares. As previously communicated via a press release on 23 August 2022, the Sellers may receive an earn-out consideration in cash and Intellego shares at a later stage provided the Daro Group achieves set growth targets. In light of this, the Board of Directors, together with its bank and financing partners, has decided that, despite Intellego's strong current liquid position, the best way to pay the remaining amount to the Sellers is through a direct cash issue of shares directed to investors and a directed set-off issue of shares directed to the Sellers. In light of this, the Board has today, with support of the authorization granted by the Annual General Meeting on 24 May 2024, resolved on a directed issue of shares of approximately SEK 9.0 million to cover the cash part of the payment (the "Cash Issue") and a directed set-off issue to the Sellers for payment in Intellego shares of approximately SEK 13.9 million (the "Set-Off Issue"). The subscription price in both the Cash Issue and the Set-Off Issue corresponds to the closing price of the Company's shares on Nasdaq First North Growth Market today, 13 November 2024. The subscription price has been determined through a negotiation procedure at arm's length between the Company, the subscribers in the Cash Issue and the Sellers.

Background

In August 2022, Intellego entered into an agreement to acquire all shares in Daro Group for a total purchase price of GBP 6.5 million, equivalent to approximately SEK 81 million. The payment for the Acquisition was to be made in various installments, both through cash payments and payments with Intellego shares. The remaining part of the purchase price to be paid amounts to GBP 1,668,027.04, corresponding to SEK 23,175,767.86. In addition, if the Daro Group achieves set growth targets the Sellers may receive an earn-out consideration in cash and Intellego shares, as communicated by the Company via a press release on 23 August 2022.

The Sellers have asked to modify the payment structure and to receive a larger amount of Intellego shares instead of cash. Through discussions, Intellego and Daro Group has also reached the conclusion that it will provide the best long term value for the business that the remaining payment to the Sellers is settled. The remaining purchase price shall be paid partly in cash, amounting to SEK 9,281,740.86, and the remaining amount of SEK 13,894,027.00, to be paid in Intellego shares through set-off of the Sellers' claim against the Company.

The Board has decided to accommodate the Sellers' request for cash payment and payment in Intellego shares. The Board believes it is advantageous to pay part of the remaining purchase price in the form of shares in the Company via the Set-Off Issue rather than through cash payment. Furthermore, the Board considers it beneficial for the Company to carry out the Cash Issue so that the Company's working capital is not negatively affected. Through the Cash Issue and the Set-Off Issue, Intellego will pay the entire remaining portion of the purchase price for the Acquisition.

In light of this, the Board of Directors has resolved on the Cash Issue and the Set-off Issue (the Cash Issue and the Set-Off Issue are collectively referred to as the "**Directed Issues**").

The Directed Issues

The Board of Directors of Intellego has, in response to the Sellers' request, today resolved to carry out the Cash Issue of 342,202 shares and the Set-Off Issue of 528,290 shares. The subscription price in the Directed Issues has been set at SEK 26.3 per share. Through the Cash Issue, Intellego receives approximately SEK 9.0 million before issue costs and through the Set-Off Issue, Intellego receives approximately SEK 13.9 million by offsetting part of the Sellers' claims on the Company. The total issue costs for the Directed Issues amounts to approximately SEK 0.4 million. The proceeds from the Cash Issue will be used to pay the cash part of the remaining part of the purchase price for the Acquisition to the Sellers. The Directed Issues were resolved by the Board of Directors with support of the authorization granted by the Annual General Meeting on 24 May 2024.

The Cash Issue has been directed to both external investors and existing shareholders. The following persons have participated in the Cash Issue: Furulunds Jordbruk HB, Sandante Invest AB, Mats-Ola Andersson, Henric Blomstberg and Tommy Ure. The Set-Off Issue has been directed to the Sellers, Colin Winton Douglas, David Stewart Paterson Douglas, Jonathan Windsor Morgan, Douglas Commercial Consulting Limited, William Robert Tovey, James Dogeron Douglas, Alisdair John Douglas, Edward Tolchard, Joanna Catherine Douglas, Surval Education Limited and Mark William Malley who are all existing shareholders in Intellego. The existing shareholders' participation in the Cash Issue has been deemed to be of great importance for the successful

completion of the Cash Issue and their participation has also enabled the Cash Issue to be carried out on favorable terms. The existing shareholders' participation in the Set-Off Issue has been deemed to be necessary to pay the remaining purchase price from the Acquisition by set-off of the Sellers' claims against the Company. The presence of existing shareholders among those entitled to subscribe in the Directed Issues has thus been in the best interest of all shareholders. None of the Company's major shareholders participate in the Directed Issues and none of the subscribers in the Directed Issues are related parties to the Company.

The subscription price per share, which has been determined through a negotiation procedure at arm's length between the Company and the subscribers in the Directed Issues, corresponds to the closing price of the Company's share on Nasdaq First North Growth Market today, 13 November 2024.

Motives and considerations for the Directed Issues

The Company's Board of Directors has made an overall assessment and carefully considered the possibility of raising capital through a rights issue, but has concluded that a rights issue compared to a directed share issue (i) would take significantly longer to complete and thus entail a risk for the execution of the capital raise and an increased general market risk exposure, (ii) would require significant underwriting undertakings from an underwriting syndicate given the prevailing volatility in the market, which would entail additional costs and/or further dilution depending on the type of compensation paid for such underwriting undertakings, (iii) would likely need to be made at a lower subscription price given the discount levels for rights issues carried out in the market recently, (iv) would not be suitable for the Board's purposes with the Directed Issues to pay the remaining part of the purchase price rather than to raise new capital for the Company and (v) unlike a rights issue, the Directed Issues is expected to broaden the shareholder base to some extent and provide the Company with new capital-strong and strategic owners. In view of the above, the Company's Board of Directors has made the assessment that directed share issues with deviation from the shareholders' preferential rights are the most favorable alternative for Intellego and is in the best interest of all shareholders. The Board of Directors therefore makes the assessment that the above reasons for deviating from the shareholders' preferential rights outweigh the main rule that share issues shall be carried out with preferential rights for the shareholders.

As the subscription price in the Directed Issues has been determined through a negotiation procedure at arm's length between the subscribers in the Directed Issues and the Company and corresponds to the closing price of the Company's share on Nasdaq First North Growth Market today, 13 November 2024, it is the assessment of the Board of Directors that the subscription price reflects current demand and market conditions and is thus to be considered to be market conformant.

The new shares are expected to be admitted to trading on Nasdaq First North Growth Market as soon as possible after the Directed Issues has been registered with the Swedish Companies Registration Office.

Shares and share capital

The Directed Issues entails that the total number of shares and votes in Intellego increases by 870,492, from 28,789,186 to 29,659,678, and that the share capital increases by approximately SEK 31,089.00, from approximately SEK 1,028,185.23 to approximately SEK 1,059,274.23, which entails a dilution effect for existing shareholders of approximately 2.93 percent based on the total number of shares and votes in the Company after the exercise of warrants of series TO 2021/2024B, communicated via a press release on 25 October 2024, and after the Directed Issues.

Advisors

Fredersen Advokatbyrå is acting as the Company's legal advisor in connection with the Directed Issues. Mangold Fondkommission AB is the issuing agent in the Directed Issues.

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This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. No prospectus will be prepared by the Company and published on the Company's website in connection with the Directed Issue.

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This press release contains forward-looking statements that reflect the Company's intentions, beliefs or expectations regarding 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 do not relate to historical facts and can be identified by the fact that they contain expressions such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "assumes", "should", "could" and, in each case, negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialise or that they are accurate. Because these assumptions are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcomes may differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements in this press release. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct and any reader 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 expressed or implied herein speak only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce any revision to any forward-looking statement to reflect events that occur or circumstances that arise in relation to the content of this press release, unless required by law or First North's Rulebook for Issuers.

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About Us

Intellego Technologies develops and manufactures color indicators that show the effect of irradiation with, among other things, invisible ultraviolet light, UV light. Color indicators are used globally in, for example, the disinfection industry, the sunscreen industry, and the manufacturing industry. Intellego's indicators have been developed from the company's patented photochromic ink, which can be adapted to different wavelengths of light and various application areas across a range of different industries. Intellego Technologies was founded in 2011, is headquartered in Stockholm, and is listed on the Nasdaq First North Growth Market.

The company's Certified Adviser on the Nasdaq First North Growth Market Stockholm is Carnegie Investment Bank AB (publ).

Intellego's website: <https://intellego-technologies.com/en/>

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Attachments

[Intellego carries out a directed issue of shares of approximately MSEK 9.0 and a directed set-off issue of shares of approximately MSEK 13.9 for acquisition financing of Daro Group](#)