

CombiGene announces a public offer to the holders of shares and warrants of series TO1 in Panion Animal Health

CombiGene AB (publ) ("CombiGene") today announces a public offer to the holders of shares ("Shares") and warrants of series TO1 with ISIN code SE0011205343 ("Warrants") in Panion Animal Health AB (publ) ("Panion" or the "Company") to tender all their Shares and Warrants to CombiGene (the "Offer"). The Shares and the Warrants are listed on Spotlight Stock Market ("Spotlight").

The Offer is not being made, and this press release may not be distributed, directly or indirectly, in or into, nor will any tender of shares or warrants be accepted from or on behalf of holders in Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates, the United States or any other jurisdiction in which the making of the Offer, the distribution of this press release or the acceptance of any tender of shares or warrants would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law.

The Offer in brief

- CombiGene offers 0.5426 shares in CombiGene for each Share (the "**Share Purchase Price**") and 0.0559 shares in CombiGene for each Warrant (the "**Warrant Purchase Price**").^[1] This corresponds to a value of approximately SEK 0.67 per Share and SEK 0.07 per Warrant and a total value of the Offer of approximately SEK 16.7 million, based on the volume-weighted average price per CombiGene share on Nasdaq First North during a period of 20 consecutive trading days ending on 17 April 2019, which was the last trading day prior to the announcement of the Offer.^[2]
- The Offer represents a premium of:
 - For the Shares: 25.2 per cent compared to the closing price of approximately SEK 0.54 for the Shares on Spotlight on 17 April 2019, which was the last trading day prior to the announcement of the Offer; and 25.2 per cent compared to the volume-weighted average price of approximately SEK 0.54 per Share on Spotlight during a period of 20 consecutive trading days ending on 17 April 2019.
 - For the Warrants: 35.6 per cent compared to the closing price of approximately SEK 0.05 for the Warrants on Spotlight on 11 April 2019, which was the last day when trading occurred in the Warrant prior to the announcement of the Offer; and 25.2 per cent compared to the volume-weighted average price of approximately SEK 0.06 per Warrant on Spotlight during a period of 20 consecutive trading days ending on 17 April 2019.
- Shareholders holding in aggregate approximately 18 per cent of the total number of Shares and voting rights in Panion and approximately 0.2 per cent of the total number of Warrants, have undertaken to accept the Offer.
- The Offer is conditional upon, inter alia, that CombiGene receives acceptances representing more than 90 per cent of all outstanding Shares (on a fully diluted basis).
- The acceptance period for the Offer is expected to commence on or around 23 May 2019 and expire on or around 20 June 2019. Settlement is expected to take place on or around 8 July 2019.
- The Offer is governed by the Takeover Rules for certain trading platforms issued by the

Swedish Corporate Governance Board (the "**Takeover Rules**") including the rules contained in section IV of the Takeover Rules.

Jan Nilsson, CombiGene's CEO, says:

"I am very impressed by the progress achieved by Panion over the last years and I believe that the timing for the proposed transaction is optimal, due to the potential practical and economical synergies in our development and partnering processes. The integration of Panion into CombiGene allows us to more seamlessly manage our development efforts and keep control of our intellectual property assets. More importantly, I strongly believe that this move will strengthen both our technology platform and our company in the eyes of strategic partners. Our offer has been designed to be favorable for Panion's shareholders and I am convinced that we provide an added value potential by offering CombiGene shares as consideration."

Background and reasons for the Offer

The Board of Directors in CombiGene believes that an acquisition of Panion creates promising conditions to achieve synergies. Today both companies develop programs for gene therapy based on the same technology platform developed and owned by CombiGene. Based on the understanding in 2015 that a focused targeted development of CombiGene's product candidate in a separate veterinary company for veterinary use, would bring the product to that market earlier, Panion was created and spun off, and in 2016 distributed to CombiGene's shareholders. Gene therapy is a new area of medicine in which CombiGene and Panion have gained significant experience through their development programs in the last three years. CombiGene anticipates synergies in quality, regulatory and clinical development that impact the results in both human and animal indications. The potential synergies can be realized by the companies by being managed together. The Board of Directors in CombiGene has therefore drawn the conclusion, that an acquisition of Panion will create a more cost-effective development process. Additionally, it will allow us to keep full control of our IP assets. Since Panion's shareholders are offered shares in CombiGene as consideration, the shareholders will benefit from any synergies resulting from this transaction. The Offer will potentially give long term additional shareholder value. Therefore, CombiGene is certain that an acquisition of Panion is in the best interest of the shareholders in both CombiGene and Panion.

Acquiring entity

The acquiring entity will be CombiGene.

The Offer

CombiGene offers 0.5426 shares in CombiGene for each Share and 0.0559 shares in CombiGene for each Warrant. The Share Purchase Price corresponds to a value of approximately SEK 0.67, the Warrant Purchase Price to a value of approximately SEK 0.07 and the total value of the Offer amounts to approximately SEK 16.7 million, based on the volume-weighted average price per CombiGene share on Nasdaq First North during a period of 20 consecutive trading days ending on 17 April 2019, which was the last trading day prior to the announcement of the Offer.[\[3\]](#)

If Panion pays dividends or makes any other distributions to shareholders, for which the record date occurs prior to the settlement of the Offer, the Share and the Warrant Purchase Price may be reduced accordingly.

No commission will be charged in respect of the settlement of the Shares and Warrants tendered to CombiGene under the Offer.

The Offer represents a premium of:

For the Shares:

- 25.2 per cent compared to the closing price of approximately SEK 0.54 for the Shares on Spotlight on 17 April 2019, which was the last trading day prior to the announcement of the Offer; and
- 25.2 per cent compared to the volume-weighted average price of approximately SEK 0.54 per Share on Spotlight during a period of 20 consecutive trading days ending on 17 April 2019.

For the Warrants:

- 35.6 per cent compared to the closing price of approximately SEK 0.05 for the Warrants on Spotlight on 11 April 2019, which was the last day when trading occurred in the Warrant prior to the announcement of the Offer; and
- 25.2 per cent compared to the volume-weighted average price of approximately SEK 0.06 per Warrant on Spotlight during a period of 20 consecutive trading days ending on 17 April 2019.

The share consideration would be provided for by a non-cash consideration shares issue in CombiGene. A new shares issue is expected to be resolved upon by the Board of Directors of CombiGene, based on a mandate from the annual general meeting 2019 of CombiGene. The shares issue in CombiGene is dependent on the annual general meeting 2019 of CombiGene resolving on an amendment of the articles of association where the maximum share capital and number of shares in CombiGene are increased. Completion of the transaction is conditional upon the annual general meeting granting the Board of Directors of CombiGene said mandate and resolving on the amendment of the articles of association (the "**Required Resolutions**").

If the Offer is accepted by all holders of Shares and Warrants, 13,492,462 shares in CombiGene will be issued to the holders of Shares and Warrants in Panion based on the number of outstanding Shares and Warrants at the time of the Offer, which corresponds to a dilution for CombiGene's current shareholders of approximately 20.7 percent.^[4] The dilution effect has been calculated as the number of additional shares and votes in relation to the sum of the current number of shares and votes and the number of additional shares and votes if the Offer is accepted by all holders of Shares and Warrants.

The CombiGene shares issued as consideration in the Offer are entitled to receive dividends for the first time on the first record date for dividends that occurs after the new shares have been registered in the shareholders' register of CombiGene.

Allotted shares in directed new shares issue

Panion's Board of Directors has, with authorization from the annual general meeting, resolved on a directed new shares issue of 456,916 shares, which have been allotted two investigators due to agreements between them and Panion. In the event these shares are registered with the Swedish Companies Registration Office prior to the end of the acceptance period, the Offer will include such shares. The total amount of CombiGene shares that may be issued within the Offer may by

consequence thereof increase with a maximum of 247,923 CombiGene shares to a total maximum amount of 13,740,385 CombiGene shares, corresponding to a total aggregated dilution of approximately 21.0 percent for CombiGene's current shareholders.

Other financial instruments in CombiGene

There are, in addition to the Warrants, three outstanding series of warrants and two outstanding series of convertible instruments in Panion. Since they are all owned and held by Panion the Offer does not include the mentioned financial instruments.

CombiGene's shareholding in Panion

Neither CombiGene nor any closely related companies or closely related parties own any Shares or any financial instruments in Panion that give exposure equivalent to holding of the Shares at the time of the announcement of the Offer. Nor has CombiGene acquired or agreed to acquire any Shares or any financial instruments that give a financial exposure to Shares during the six months preceding the announcement of the Offer. (For further information about undertakings by larger holders of Shares and Warrants to accept the Offer, please see "*Undertakings to accept the Offer*" below.) CombiGene may acquire, or enter into arrangements to acquire, Shares or Warrants outside the Offer. Any purchases made or arranged will be in accordance with Swedish law and the Takeover Rules and will be disclosed in accordance with applicable rules.

Management and employees

To accomplish anticipated synergies, the integration of Panion and CombiGene will presumably involve certain organizational and operational changes for the management and employees in Panion as well as for the places where Panion conducts business. No resolutions in this regard have yet been made.

Neither CombiGene's business nor its management or employees will be affected by the Offer.

Financial effects for CombiGene

The financial position of CombiGene will primarily be affected by an increase in share capital in CombiGene with approx. 26 per cent if the Offer is accepted by all holders of Shares and Warrants. During 2019, the acquisition is expected to have a negative effect on CombiGene's result and result per share, primarily due to onetime costs related to restructuring. In the coming years, the acquisition is expected to have a negative effect on CombiGene's result and result per share due to amortizations on goodwill.

Announcement of opinion from the Board of Directors in Panion and fairness opinion

According to Rule II.19 of the Takeover Rules, the Board of Directors in Panion [\[5\]](#) is obliged, to announce their opinion regarding the Offer no later than two weeks prior to the expiry of the acceptance period. The Board of Directors in Panion is also, according to Rule IV.3 of the Takeover Rules, obliged to obtain and publish a valuation opinion regarding the Shares and Warrants from an independent expert no later than two weeks prior to the expiry of the acceptance period. As the consideration offered is in CombiGene shares, the valuation opinion is to include a valuation of the consideration offered.

Undertakings to accept the Offer

Undertakings to accept the Offer have been received from the shareholders in Panion presented in the table below.

Shareholders	Shares	Share of capital and votes	Warrants	Share of Warrants
Lars Thunberg [6]	2,500,000	10.2 %	0	0 %
Patrik Kazimiersky	935,000	3.8 %	0	0 %
David Woldbye	310,000	1.3 %	0	0 %
Mikael Jacobson	275,000	1.1 %	0	0 %
Marcus G. Skoog	220,000	0.9 %	10,000	0.2 %
Merab Kokaia	200,000	0.8 %	0	0 %
Total	4,440,000	18.2 %	10,000	0.2 %

The undertakings are conditional upon:

- CombiGene complying with the provisions of the Takeover Rules and any applicable decisions of the Swedish Securities Council (Sw. Aktiemarknadsnämnden);

- CombiGene not terminating or withdrawing the Offer; and

- that, prior to the Offer being declared unconditional, no third party announces a competing public cash offer for all Shares and Warrants corresponding to a per Share and Warrant value in SEK which exceeds the then prevailing per Share and Warrant value of the Offer with at least twenty (20) per cent ("**Competing Offer**"). However, CombiGene has a right to match the Competing Offer within three business days of such Competing Offer being announced. "The then prevailing per Share and Warrant value of the Offer" shall be calculated as the value of 0.5426 shares of CombiGene (per Share) and 0.0419 shares in CombiGene (per Warrant), based on the volume weighted average price of such shares during a period of five consecutive trading days ending on the last trading day prior to the Competing Offer being announced.

In total, shareholders holding in aggregate approximately 18 per cent of the total number of Shares and voting rights in Panion and approximately 0.2 per cent of the total number of Warrants, have undertaken to accept the Offer.

Conditions to completion of the Offer

Completion of the Offer is conditional on:

(a) the Offer being accepted to such an extent that CombiGene becomes the owner of more than 90 per cent of all outstanding Shares (on a fully diluted basis);

(b) CombiGene having obtained the Required Resolutions. CombiGene has received information that Arne Ferstad, the owner of approximately 1.94 per cent of the shares and votes of CombiGene, Peter Nilsson, the owner of approximately 1.32 per cent of the shares and votes of CombiGene, and Jan Nilsson, the owner of approximately 0.28 per cent of the shares and votes of CombiGene,

intend to vote in favour of the Required Resolutions at the annual general meeting;

(c) Panion not having decided upon any securities issue, whether in accordance with the current proposal to the Annual General Meeting 2019 in Panion or otherwise;

(d) there being no circumstances, which CombiGene did not have knowledge of at the time of the announcement of the Offer, having occurred which would have a material adverse effect or could reasonably be expected to have a material adverse effect on Panion's sales, results, liquidity, solidity, equity or assets;

(e) with respect to the Offer and the acquisition of Panion, the receipt of all necessary regulatory, governmental or similar clearances, approvals and decisions, in each case, on terms which, in CombiGene's opinion, are acceptable;

(f) neither the Offer nor the acquisition of Panion being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of court or public authority, or any similar circumstance, which is actual or can reasonably be anticipated, and which CombiGene could not reasonably have foreseen at the time of the announcement of the Offer;

(g) Panion not taking any action that is likely to impair the prerequisites for making or completing the Offer;

(h) no information made public by Panion or disclosed by Panion to CombiGene being materially inaccurate, incomplete or misleading, and Panion having made public all information which should have been made public by it; and

(i) no other party announcing an offer to acquire Shares or Warrants on terms more favorable to the shareholders in Panion than the Offer.

CombiGene reserves the right to withdraw the Offer in the event it becomes clear that either of the above conditions is not satisfied or cannot be satisfied. With regard to conditions (b) – (i), however, such withdrawal will only be made if the non-satisfaction is of material importance to CombiGene's acquisition of Shares and Warrants.

CombiGene reserves the right to waive, in whole or in part, one or more of the conditions above, including with respect to condition (a) above, to complete the Offer at a lower level of acceptance.

Directors of Panion submitting or participating in the Offer etc.

According to the Takeover Rules an individual who holds the position of board member in both the offeror and the offeree company is considered to participate in the offer. The Chairman of Panion's Board of Directors, Lars Thunberg, is a member in CombiGene's Board of Directors.

As a result of the above and the fact that Lars Thunberg has undertaken to accept the Offer, Lars Thunberg is disqualified from the Board of Directors of Panion in dealing with issues related to the Offer due to conflict of interest.

Another consequence of the above is that the Offer is governed by the rules in Chapter IV of the Takeover Rules, according to which Panion is obliged to obtain and publish a valuation opinion

regarding the Shares and Warrants from an independent expert no later than two weeks prior to the expiry of the acceptance period. As the consideration offered consists of CombiGene shares, the valuation opinion is to include a valuation of the consideration offered. Furthermore, the acceptance period must be no less than four weeks.

Brief description of CombiGene

CombiGene is a limited liability company incorporated under the laws of Sweden, with corporate registration number 556403-3818. CombiGene has two wholly-owned subsidiaries: CombiGene Personal AB, with corporate registration number 559052-2735, and CombiGene UK Ltd, with corporate registration number 11215912.

CombiGene has, by combining advancements in neuroscience and modern gene therapy, developed a treatment method which in preclinical studies has been shown to prevent epileptic seizures. Currently, the company is focusing on further developing this treatment for the benefit of epilepsy patients, but this method could also have the potential to be developed for other neurological diseases. CombiGene's office is located at Medicon Village in Lund, Sweden, and its business builds on research results from Lund University and the University of Copenhagen.

CombiGene is a research and development company. For the twelve-month period ending on 31 December 2018, CombiGene had a total turnover amounting to TSEK 8 with an operating loss of TSEK 13,181. The main costs during 2018 were personnel and consultant costs and product development costs. During 2017, CombiGene had a total turnover of TSEK 3,000, which consisted of an income from licensing of the company's technology, and an operating loss of TSEK 8,958. The main costs during 2017 were personnel and consultant costs.

The largest shareholders in CombiGene as per 29 March 2019 are Skandia Försäkrings Depåförsäkring Skandialink, holding approximately 7.82 per cent of the shares; Försäkringsaktiebolaget Avanza Pension, holding approximately 7.20 per cent of the shares; Öhman Bank S.A., holding approximately 5.81 per cent of the shares; Ivar Nordqvist, holding approximately 3.33 per cent of the shares; and Nordnet Pensionsförsäkring AB, holding approximately 2.56 per cent of the shares.

CombiGene was listed on Spotlight on the 25 May 2015 and is currently, since 19 December 2018, listed on Nasdaq First North. The Certified Adviser of CombiGene is FNCA Sweden AB, +46 (0)852 80 03 99, info@fnca.se. Further information about CombiGene is available at www.combigene.com.

Due diligence

CombiGene has conducted a customary confirmatory due diligence review of Panion in connection with the preparation of the Offer. Panion has informed CombiGene that no inside information concerning the Shares has been disclosed to CombiGene.

Indicative timetable

Estimated date for announcement of the Offer document: 22 May 2019

Estimated acceptance period: 23 May – 20 June 2019

Estimated settlement date: On or around 8 July 2019

CombiGene reserves the right to extend the acceptance period as well as to postpone the date of settlement. CombiGene will announce any extension of the acceptance period and/or postponement of the settlement by a press release in accordance with applicable laws and regulations.

Compulsory acquisition and delisting

If CombiGene becomes the owner of more than 90 per cent of the shares of Panion, CombiGene intends to initiate a compulsory acquisition procedure in respect of the remaining Shares under the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*). In connection therewith, CombiGene will promote a delisting of the Shares from Spotlight.

Applicable law and disputes

The Offer as well as the agreements entered into between CombiGene and the Panion shareholders as a result of the Offer, shall be governed and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be exclusively settled by Swedish courts, and the City Court of Lund (*Sw. Lunds tingsrätt*) shall be the court of first instance.

The Takeover Rules and the Swedish Securities Council's rulings and statements on the interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's rulings and statements on the interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (*Sw. Näringslivets Börskommitté*), are applicable to the Offer. Furthermore, the Offer is specifically subject to the rules contained in Chapter IV of the Takeover Rules, due to the fact that the Chairman of Panion's Board of Directors, Lars Thunberg, is a member in CombiGene's Board of Directors.

Important information regarding NID and LEI

As of 3 January 2018, all legal entities will need a Legal Entity Identifier ("LEI") code to participate in a financial market transaction within the EU according to Directive 2011/61/EU (MiFID II) of the European Parliament and of the Council. A LEI number must be obtained from an authorised LEI issuer which can take some time. Shareholders or Warrant holders who are legal entities are requested to obtain a LEI number well in advance in order to use this in the application form. Natural persons will need a NID number (National ID Number). For a natural person who only have Swedish citizenship, the NID number is "SE" followed by the so-called "personnummer". For more information, please visit www.fi.se.

Advisers

CombiGene has retained Fredersen Advokatbyrå AB as legal advisers in connection with the Offer.

CombiGene discloses the information provided herein pursuant to the Takeover Rules and the EU:s Market Abuse Regulation.

Information about the Offer

Information about the Offer is made available at: www.combigene.com.

For further information, please contact:

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Brief description of Panion

Panion is a public limited liability company incorporated under the laws of Sweden, with corporate registration number 559018-4171.

Panion's focus is on continuing to develop the method developed by CombiGene into an effective and safe therapy for dogs with epilepsy. The product in development is based on scientific discoveries made at Lund University and the University of Copenhagen. In addition, Panion's aim is to in-license and develop other similar assets for the veterinary market.

Panion is based in Hässleholm, Sweden. The Panion Share and Warrant has been listed on Spotlight since 5 July 2017.

Important information

The Offer, pursuant to the terms and conditions presented in this press release, is not being made to persons whose participation in the Offer requires that any additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law.

This press release is not being published in or distributed to or into and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country. Persons who receive this press release (including, without limitation, nominees, trustees and custodians) and are subject to the law of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction. CombiGene, to the fullest extent permitted by applicable law, disclaims any responsibility or liability for the violations of any such restrictions by any person. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being made, and will not be made, directly or indirectly, in or into, Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States by use of mail or any other means or instrumentality of interstate or foreign commerce, or of any facilities of a national securities exchange, of Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States. This includes, but is not limited to facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic transmission. The Offer cannot be accepted and shares or warrants may not be tendered in the

Offer by any such use, means, instrumentality or facility of, or from within Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States or by persons located or resident in any of the mentioned countries. Accordingly, this press release and any documentation related to the Offer are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States or to any, Australian, Brazilian, Canadian, Faroe, Hong Kong, Indian, Japanese, New Zealand, Saudi, Singaporean, South African, South Korean, Swiss, Taiwanese, United Arab Emirates or United States persons or any persons located or resident or with a registered address in Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States. Banks, brokers, dealers and other nominees holding shares or warrants for persons in Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States must not forward this press release or any other documents received in connection with the Offer to such persons. CombiGene will not deliver any consideration from the Offer into Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States.

Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported acceptance by a person located in Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States or any agent, fiduciary or other intermediate acting on a non-discretionary basis for a principal giving instructions from within Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States will be invalid and will not be accepted. Each holder of shares or warrants participating in the Offer will represent that it is not an Australian, Brazilian, Canadian, Faroe, Hong Kong, Indian, Japanese, New Zealand, Saudi, Singaporean, South African, South Korean, Swiss, Taiwanese, United Arab Emirates or United States person, is not located in Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States and is not participating in such Offer from Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States and that it is not acting on a non-discretionary basis for a principal that is an Australian, Brazilian, Canadian, Faroe, Hong Kong, Indian, Japanese, New Zealand, Saudi, Singaporean, South African, South Korean, Swiss, Taiwanese, United Arab Emirates or United States person, that is located in Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, the United Arab Emirates or the United States or that is giving an order to participate in such Offer from Australia, Brazil, Canada, Faroe Islands, Hong Kong, India, Japan, New Zealand, Republic of Korea, Saudi Arabia, Singapore, South Africa,

Switzerland, Taiwan, the United Arab Emirates or the United States.

Notwithstanding the foregoing, CombiGene reserves the right to permit the Offer to be accepted by persons not resident in Sweden if, in its sole discretion, CombiGene is satisfied that such transaction can be undertaken in compliance with applicable laws and regulations.

To the extent permissible under applicable law or regulation, CombiGene or its brokers may purchase, or conclude agreements to purchase, Panion shares, directly or indirectly, outside of the scope of the Offer, before, during or after the period in which the Offer remains open for acceptance. This also applies to other securities which are directly convertible into, exchangeable for, or exercisable for Panion shares, such as warrants. These purchases may be completed via the stock exchange at market prices or outside the stock exchange at negotiated conditions. Any information on such purchases will be disclosed as required by law or regulation in Sweden.

This press release has been published in Swedish and English. In the event of any discrepancy in content between the two language versions, the Swedish version shall prevail.

Forward-looking information

To the extent this press release contains forward-looking statements, such statements do not represent facts and are characterised by the words "will", "expect", "believe", "estimate", "intend", "aim", "assume" or similar expressions. Such statements express the intentions, opinions or current expectations and assumptions of CombiGene, for example with regard to the potential consequences of the Offer for Panion, for those shareholders or Warrant holders of Panion who choose not to accept the Offer or for future financial results of Panion. Such forward-looking statements are based on current plans, estimates and forecasts which CombiGene has made to the best of its knowledge, but which do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and usually cannot be influenced by CombiGene. It should be kept in mind that the actual events or consequences may differ materially from those contained in or expressed by such forward-looking statements.

Footnotes

[1] If Panion pays dividends or makes any other distributions to shareholders, for which the record date occurs prior to the settlement of the Offer, the Share and the Warrant Purchase Price may be reduced accordingly.

[2] Based on 24,399,487 Shares and 4,531,312 Warrants which is the total number of issued shares and warrants of series TO1 in Panion. Panion has issued 456,916 shares in a directed new shares issue. These shares have not been registered with the Swedish Companies Registration Office. See "Allotted shares in directed new shares issue". Panion does not hold any own shares in treasury.

[3] Based on 24,399,487 Shares and 4,531,312 Warrants which is the total number of issued shares and warrants of series TO1 in Panion. Panion has issued 456,916 shares in a directed new shares issue. These shares have not been registered with the Swedish Companies Registration Office. See "Allotted shares in directed new shares issue". Panion does not hold any own shares in treasury.

[4] However, see "Allotted shares in directed shares issue" for additional shares which may be added.

[5] The chairman of the Board of Directors in Panion, Lars Thunberg, also holds the position of board member in CombiGene. He has also undertaken to accept the Offer. As a result thereof, Lars Thunberg, is disqualified from the Board of Directors of Panion in dealing with issues related to the Offer.

[6] Board member in CombiGene and Chairman of the Board of Directors in Panion.

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About Us

CombiGene's business concept is to develop effective gene therapies for treatment of difficult-to-treat diseases for which adequate treatment methods are currently lacking. The company intends to take its candidate drugs through the phases of preclinical development and initial clinical studies under its own management, and subsequently continue development and commercialization under its own management or in collaboration with other partners. Founded on the basis of scientific discoveries made at Lund University and the University of Copenhagen, CombiGene has offices at Medicon Village in Lund, Sweden. The company is public and listed on the Swedish marketplace Nasdaq First North and the company's Certified Advisor is FNCA Sweden AB, +46 (0)852 80 03 99 info@fnca.se . For further information, please visit www.combigene.com.

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme

This information is information that CombiGene 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 2019-04-18 08:30 CEST.

Attachments

[CombiGene announces a public offer to the holders of shares and warrants of series TO1 in Panion Animal Health](#)

Press release
18 April 2019 08:30:00 CEST

