



PledPharma

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, WHOLLY OR PARTLY, IN THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS), ANY STATE OF THE UNITED STATES INCLUDING THE DISTRICT OF COLUMBIA, AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SINGAPORE, SWITZERLAND, SOUTH AFRICA, SOUTH KOREA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE PROHIBITED BY APPLICABLE LAW.

PRESS RELEASE

PledPharma AB
Stockholm, 5 October 2020

PledPharma carries out a fully guaranteed rights issue of approximately SEK 200 million in connection with the acquisition of Rare Thyroid Therapeutics

In conjunction with the acquisition of Rare Thyroid Therapeutics International AB (“RTT”) announced in a separate press release earlier today, the Board of Directors of PledPharma AB (publ) (“PledPharma” or the “Company”) has today decided to carry out a share issue with preferential rights for the Company’s existing shareholders (the “Rights Issue”). The Rights Issue will provide the Company with approximately SEK 200 million before transaction costs relating to the Rights Issue. The subscription price is 5.25 SEK, which corresponds to a premium of 2.5 percent compared to the closing price of 5.12 SEK for the PledPharma share on 2 October 2020. The Rights Issue is fully guaranteed through subscription undertakings and underwriting commitments. The Company’s three largest shareholders the Fourth Swedish National Pension Fund, Nortal Investments AB (Staffan Persson) and Cidro Förvaltning AB (Peter Lindell) as well as the Company’s Chairman Håkan Åström and CEO Nicklas Westerholm have committed to subscribe their pro rata shares in the Rights Issue. In addition, PledPharma has also received underwriting commitments from the Fourth Swedish National Pension Fund, Cidro Förvaltning AB (Peter Lindell), Håkan Åström and NYIP (Nyenburgh Holding BV). The Board of Directors has further proposed to be authorised to resolve on an over-allotment option for up to SEK 50 million (the “Over-allotment option”), which may be exercised if the Rights Issue is over-subscribed.

The Rights Issue and the Over-allotment option are subject to approval by an extraordinary general meeting to be held on 28 October 2020. Notice to the extraordinary general meeting will be published today through a separate press release.

Summary of the Rights Issue

- The Rights Issue comprises a maximum of 38,238,085 shares. The Rights Issue will provide the Company with approximately SEK 200 million before deduction of costs related to the Rights Issue.
- The subscription price is SEK 5.25, which corresponds to a premium of 2.5 percent compared to the closing price of 5.12 SEK for the PledPharma share on 2 October 2020. Brokerage fees will not be charged.
- Record date for determining which shareholders are entitled to subscription rights shall be 2 November 2020. Last day of trading in the Company’s share including the right to receive subscription rights in the Rights Issue is 29 October 2020. First day of trading in the Company’s share excluding the right to receive subscription rights in the Rights Issue is 30 October 2020.
- Each share held as of the record date gives one (1) subscription right. Seven (7) subscription rights entitles the holder to subscribe for five (5) new shares.
- Trading of subscription rights will be possible during the period 9 November to 19 November 2020.
- The subscription period is 9 November to 23 November 2020. The Board of Directors shall have the right to extend the subscription period and the last day of payment.
- The Rights Issue is fully guaranteed through subscription undertakings and underwriting commitments. The Company’s three largest shareholders the Fourth Swedish National Pension Fund, Nortal Investments AB (Staffan Persson) and Cidro Förvaltning AB (Peter Lindell) as well as the Company’s Chairman Håkan Åström and CEO Nicklas Westerholm have committed to subscribe their pro rata shares in the Rights Issue corresponding to an amount of approximately SEK 64 million, or approximately 32 percent of the Rights Issue, and committed to vote in favour of the Rights Issue at the extraordinary general meeting. In addition, PledPharma has underwriting

commitments from the Fourth Swedish National Pension Fund, Cidro Förvaltning AB (Peter Lindell), Håkan Åström and NYIP (Nyenburgh Holding BV), corresponding to approximately SEK 136 million, or approximately 68 percent of the Rights Issue.

- The Board of Directors has proposed to be authorised to decide on an Over-allotment option of maximum SEK 50 million in the case of an oversubscription of the Rights Issue.
- The purpose of the Rights Issue is to secure a continued and successful development of RTT's orphan drug candidate Emcitate® and PledPharma's orphan drug candidate Aladote®.
- The decision and proposal of the Board of Directors can be viewed in full in the notice of the extraordinary general meeting, which will be published today.

Background and rational summarised

PledPharma is a pharmaceutical drug development company with focus on improving treatments for severe diseases with substantial unmet medical need where alternative treatments does not exist. PledPharma has announced, in a press release published earlier today, its intention to acquire Rare Thyroid Therapeutics International AB ("RTT"), with its drug candidate Emcitate®. PledPharma intends through the acquisition to create a new company with the strategic focus on late stage development and commercialisation of orphan drugs. The new combined entity is under name change to Egetis Therapeutics AB.

The purpose of the Rights Issue is to secure a continued and successful development of RTT's orphan drug candidate Emcitate® and PledPharma's orphan drug candidate Aladote®. .

PledPharma intends to use the net proceeds of approximately SEK 200 million to finance (i) the development of orphan drug candidates Emcitate® and Aladote® to marketing approval in Europe and USA (approximately 60 percent); (ii) initial commercial preparations (approximately 20 percent); and (iii) general corporate purposes and financial flexibility (approximately 20 percent). In order to meet potential demand from strategic investors and thereby broadening the shareholder base of PledPharma, the Board of Directors has further proposed to be authorised to decide on an Over-allotment option of approximately SEK 50 million, with deviation from the shareholders' preferential rights. Through the Rights Issue and the Over-allotment option, if exercised in full, the Company will receive net proceeds of approximately SEK 250 million prior to issue costs. Proceeds from the Over-allotment option will be used for day-to-day operations and enable a higher degree of financial flexibility in the activities described above. Utilisation of the potential Over-allotment option is conditioned on the Rights Issue being oversubscribed.

Terms and additional information about the Rights Issue and the Over-allotment option

The proposed terms for the Rights Issue implies that one (1) subscription right is received for each (1) share held at the record date 2 November 2020. Seven (7) subscription rights entitles the right to subscribe for five (5) new shares. The subscription price per share has been set to SEK 5.25, which corresponds to a premium of 2.5 percent compared to the closing price of SEK 5.12 for the PledPharma share on 2 October 2020.

A total of maximum 38,238,085 shares will be issued in the Rights Issue, generating proceeds of approximately SEK 200 million excluding transaction costs relating to the Rights Issue.

The record date for determining which shareholders are entitled to subscription rights shall be 2 November 2020. The subscription period will run from 9 November 2020 up until 23 November 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.

In the event that not all shares are subscribed for through exercise of subscription rights, the Board of Directors shall, limited by the maximum proceeds from the Rights Issue, decide on allocation of shares without the exercise of subscription rights. Such shares shall be allocated as follows: (i) firstly to those who have subscribed for shares through the exercise of subscription rights, regardless of the subscriber being a shareholder as of the record date or not, pro rata in relation to the number of subscription rights each and every one has utilised for subscription, (ii) secondly to others who have indicated interest in subscribing for shares without the use of subscription rights, pro rata in relation to their indicated interest and (iii) thirdly go to those who have provided underwriting commitments in proportion to the respective underwriting commitment.

Trading in interim shares (BTA) shall take place on Nasdaq Stockholm from 9 November 2020 up until the Rights Issue and BTA has been registered with the Swedish Companies Registration Office (Sw. "Bolagsverket") and interim shares are converted to common shares.

In order to enable a possible oversubscription and the possibility of providing the Company with more capital and broaden its shareholder base, the Board of Directors has proposed to be authorised to decide on an Over-allotment option of SEK 50 million, which can be exercised if the Rights Issue is oversubscribed.

Complete terms and conditions for the Rights Issue and the Over-allotment option, information regarding subscription undertakings and underwriting commitments as well as other information about the Company will be presented in the prospectus, which will be published the day before the subscription period commences at the latest.

Preliminary timeline for the Rights Issue:

- **28 October 2020:** Extraordinary general meeting
- **29 October 2020:** Last day of trading in the share with right to participate in the Rights Issue
- **30 October 2020:** First day of trading excluding subscription right
- **2 November 2020:** Record date for participation in the Rights Issue, i.e. shareholders registered in the shareholder register on this day will receive subscription rights
- **9 – 19 November 2020:** Trading with subscription rights
- **9 – 23 November 2020:** Subscription period
- **26 November 2020:** Estimated date of publishing outcome of the Rights Issue and possible exercise of the Over-allotment option

Shares and share capital

Upon closing of the acquisition of RTT, the Company shall, according to the share purchase agreement, pay SEK 60 million cash, funded from own cash-in-hand, and issue 63,773,345 new shares to the sellers (the “**Consideration Shares**”), as announced in a separate press release earlier today. Following the issue of Consideration Shares, the Company’s share capital will increase by SEK 3,356,493 to SEK 6,174,037. Following the issue of the Consideration Shares, the number of shares will amount to 117,306,666. The Consideration Shares do not entail the right to participate in the Rights Issue.

With the Rights Issue, a total number of 38,238,085 shares will be issued at a subscription price of SEK 5.25 per share and therefore provide the company with proceeds of approximately SEK 200 million before transaction costs relating to the Rights Issue. The Company’s share capital based on the number of shares including the Consideration Shares will increase with a maximum of approximately SEK 2,012,532 to a total of approximately SEK 8,186,569 and the number of shares will increase with a maximum of 38,238,085 shares to a total of 155,544,751 shares. Dilution for the shareholders not participating in the Rights Issue will be maximum 25 percent based on the currently outstanding number of shares including the Consideration Shares.

If the Over-allotment option is exercised, the share capital will increase with an additional maximum of SEK 501,253 and the number of shares will increase with a maximum of 9,523,809 new shares.

In the case that both the Rights Issue and the Over-allotment option are exercised in full, the Company’s share capital will increase by SEK 2,513,785 to a total of SEK 8,687,822, and the number of shares will increase from 47,761,894 shares to total of 165,068,560 shares based on the currently outstanding number of shares including the Consideration Shares. The dilution will be a maximum of 29 percent based on the number of shares including the Consideration Shares.

Subscription undertakings and underwriting commitments

The Rights Issue is fully guaranteed through subscription undertakings and underwriting commitments. The Company’s three largest shareholders the Fourth Swedish National Pension Fund, Nortal Investments AB (Staffan Persson) and Cidro Förvaltning AB (Peter Lindell) as well as the Company’s Chairman Håkan Åström and CEO Nicklas Westerholm have committed to subscribe their pro rata shares in the Rights Issue, corresponding to an amount of approximately SEK 64 million, or approximately 32 percent of the Rights Issue and committed to vote in favour of the Rights Issue at the extraordinary general meeting.

In addition, PledPharma has underwriting commitments from Fourth Swedish National Pension Fund (AP4), Cidro Förvaltning AB (Peter Lindell), Håkan Åström and NYIP (Nyenburgh Holding BV), corresponding to approximately SEK 136 million, or approximately 68 percent of the Rights Issue.



PledPharma

Lock-up undertakings

In connection with the Rights Issue, the members of the Board of Directors of the Company and management representatives, have undertaken not to sell any current shares in the Company for a period of 180 calendar days following the date of the announcement of the outcome of the Rights Issue, with customary exceptions.

Extraordinary general meeting

An extraordinary general meeting will be held 28 October 2020 for the approval of the Board of Directors proposal on the Rights Issue and to authorise the Board of Directors to decide on an Over-allotment option. The notice of the extraordinary general meeting will be published through a separate press release later today.

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

Conditioned upon closing of the RTT transaction and 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.

Web conference for investors and analysts

PledPharma invites to a web conference 5 October 2020 at 10:00 CET. To join the web conference, please click on the following link:

Link – <https://tv.streamfabriken.com/2020-10-05-press-conference>

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

Financial and legal advisors

ABG Sundal Collier and Pareto Securities act as Joint Bookrunners for the Rights Issue and the potential Over-allotment option. Advokattfirman Lindahl is the legal advisor to PledPharma and Baker McKenzie is the legal advisor to the Joint Bookrunners.

For further information, please contact:

Nicklas Westerholm, CEO PledPharma
Tel. +46 (0)73 354 20 62
nicklas.westerholm@pledpharma.se

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, on 5 October 2020, 08.01 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 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 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/>