

SenzaGen has carried out a directed share issue of approximately SEK 37.2 million

Lund, June 12, 2024

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SenzaGen AB (publ) ("SenzaGen" or the "Company") has, in accordance with the intention announced by the Company through a press release, on June 12, 2024, resolved on a directed issue of a total of 5 315 701 shares (the "Directed Issue"). A number of new Swedish and international institutional investors participated in the Directed Issue, including ShapeQ GmbH, Life Science Invest Fund I och Landia AB. The Directed Issue was heavily oversubscribed. Through the Directed Issue, SenzaGen receives SEK 37.2 million before transaction costs. The Directed Issue has been carried out with the support of the authorization from the Company's annual general meeting on 15 May 2024. The subscription price in the Directed Issue has been set at SEK 7 per share, through an accelerated bookbuilding procedure carried out by Sedermera Corporate Finance AB ("Sedermera").

The Directed Issue

The Board of Directors of SenzaGen has, based on authorization from the Company's annual general meeting held on 15 May 2024, resolved on a directed issue of 5 315 701 shares. The subscription price in the Directed Issue amounts to SEK 7 per share and has been determined through an accelerated bookbuilding procedure carried out by Sedermera. The subscription price corresponds to a discount of approximately 18,6 percent in relation to the volume weighted average price (VWAP) of the Company's share on Nasdaq First North Stockholm during the period from and including 2024-04-29 to and including 2024-06-12.

Motives and considerations of the Board of Directors

In order to strengthen SenzaGen's long-term growth and increase profitability, the Company chooses to carry out the Directed Issue. The proceeds will provide the Company with the financial capacity to invest in existing technology to both increase market share through expansion of the product portfolio and to increase efficiency and enable license sales within non-animal testing. The Company will also use part of the proceeds to make strategic investments in the sales organization to strengthen commercial activities. The net proceeds from the Directed Issue are intended to be utilized as follows:

- Inclusion in the ISO standard for GARD@skin for expansion in the medical device industry,
- OECD approval for GARD@skin Dose-Response to meet demand from the chemical and cosmetics industries,

- Development of the VitroScreen ORA® platform for production of spheroids for the pharmaceutical and cosmetics industries,
- Technical platform upgrade for gene expression analysis, and
- Expansion of the sales organization.

It is the Company's assessment that the investments will have a significant positive effect on the Company's growth rate. Revenues related to the investments are expected to be approximately SEK 50 million from 2027 and approximately SEK 100 million from 2029. In addition, the gross margin for GARD® is expected to increase by 5 percentage points as a result of the investments.

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 issue (i) unlike a rights issue, the Directed Issue is expected to strengthen the shareholder and capital base in the long term. The Company wishes to strengthen and expand its base of institutional, professional, and strategically important shareholders, in order to further strengthen the liquidity of the Company's share, (ii) would take significantly longer to implement and thus entail a risk of increased general market risk exposure, and (iii) the implementation of a directed share issue can be done at a significantly lower cost and with less complexity than a rights issue and in light of the current market conditions, the Board of Directors has assessed that a rights issue would risk to require external guarantees from an underwriting consortium in order to ensure a sufficient subscription rate, which would entail significant additional costs and potentially further dilution for the Company's shareholders depending on the type of consideration paid for such guarantee commitments..

In view of the above, the Board of Directors has made the assessment that the Directed Issue with deviation from the shareholders' preferential rights is the most advantageous option for SenzaGen to finance the Company's portfolio expansion and other growth-enhancing initiatives, while maintaining the most value in the Company and being most favorable for the Company's shareholders.

As the subscription price in the Directed Issue will be determined through an accelerated book-building procedure, the Board of Directors considers that the marketability of the subscription price is ensured.

To facilitate the implementation of the Directed Issue, new shares have initially been subscribed for by Nordic Issuing AB in its capacity as issuing agent at an amount corresponding to the quota value of the shares, for onward transfer to the final investors at the price of SEK 7 per share, which is ultimately recognized to the Company.

Number of shares, share capital and dilution

Through the Directed Issue, the Company's share capital will increase by SEK 265 785,05, from SEK 1 209 416.25 to SEK 1 475 201.3, through a new issue of 5 315 701 shares, which means that the total number of shares will increase from 24 188 325 shares to 29 504 026 shares and will result in a dilution of approximately 18 percent of the capital for existing shareholders who did not participate in the issue.



Advisors

SenzaGen has engaged Sedermera Corporate Finance AB as Sole Bookrunner and Markets and Corporate Law AB as legal advisor in connection with the Directed Issue. Nordic Issuing AB acts as issuing agent.

This press release has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

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Information for distributors

For the purpose of complying with the product governance requirements contained in: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as consolidated, ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593, which complements MiFID II; and (c) national implementing measures (together, the "MiFID II Product Governance Requirements") and to disclaim any non-contractual, contractual or other liability to which any "manufacturer" (within the meaning of the MiFID II Product Governance Requirements) might otherwise be subject, the offered shares in SenzaGen have been subject to a product approval process, which has determined that such shares are: (i) suitable for a target market of retail investors and investors meeting the criteria of professional clients and eligible counterparties, as defined in MiFID II; and (ii) suitable for distribution through all distribution channels permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of SenzaGen's shares may fall and investors may lose all or part of their investment; there is no guarantee of return or capital protection associated with the Company's shares; and an investment in the Company's shares is only suitable for investors who do not require a guaranteed return or capital protection and who (alone or with the assistance of an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any losses that may result from such an investment. The Target Market Assessment is without prejudice to any other requirements relating to contractual, legal or regulatory selling restrictions in relation to the Directed Issue. It is further noted that, notwithstanding the Target Market Assessment, the Sole Bookrunner will only seek investors who meet the criteria of professional clients and eligible counterparties.

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 of SenzaGen.

Each distributor is responsible for conducting its own Target Market Assessment in respect of SenzaGen shares and for determining appropriate distribution channels.

Disclosure to investors pursuant to the act (2023:560) on the Screening of Foreign Direct Investments

The Act (2023:560) on the Screening of Foreign Direct Investments ("FDI Act") applies to the



company's operations. In the event that the subscription of shares would result in an investor, after the investment, directly or indirectly, holding votes representing or exceeding any of the thresholds of 10, 20, 30, 50, 65, or 90 percent of the votes in the Company, the investor is required to notify their investment to the Inspectorate for Strategic Products in accordance with the FDI Act.

Forward-looking statements

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 are not historical facts and can be identified by the use of words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "anticipates", "should", "could" and, in each case, the 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 materialize or that they are accurate. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes could 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 in this press release by the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements contained in this press release are accurate and any reader of this press release should not place undue reliance on the forward-looking statements contained in this press release. The information, opinions and forward-looking statements expressed or implied herein are made only as of the date of this press release and are subject to change. 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.

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About us

SenzaGen is a corporate group that aims to be a leader in *in vitro* science and testing, driving the transition from animal testing to methods better suited to reflect human biology. The Company provides high-performance, non-animal test methods and innovation and consulting services based on state-of-the-art technology. Non-animal methods are more effective, more accurate and less expensive than traditional animal-based methods while also helping to reduce the number of laboratory animals. The Company has a growth strategy centered around continued commercialization of its proprietary GARD® and VitroScreen ORA® test platforms, expansion of its test portfolio and evaluation of acquisition opportunities of profitable and growing companies with complementary offerings. SenzaGen has its headquarters and GLP-certified laboratory in Lund, Sweden and subsidiaries in the US and Italy. For more information, please visit: www.senzagen.com.

SenzaGen is listed on Nasdaq Stockholm First North (ticker: SENZA). FNCA Sweden AB is the company's Certified Adviser.

This information is information that SenzaGen 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 2024-06-12 21:15 CEST.

Attachments

[SenzaGen has carried out a directed share issue of approximately SEK 37.2 million](#)