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Lipum has resolved on a rights issue of approximately SEK 26.4 million at a subscription price of SEK 9.20 per share

The Board of Directors of Lipum AB (publ) ("Lipum" or the "Company") has resolved on a rights issue of up to 2,870,334 shares at a subscription price of SEK 9.20 per share (the "Rights Issue"). Through the Rights Issue, the Company will raise proceeds of up to approximately SEK 26.4 million before deduction of transaction costs. Of the net proceeds from the Rights Issue, approximately 60 percent is intended to be used for the completion of the ongoing clinical phase 1 trial regarding the Company's drug candidate SOL-116, approximately 20 percent is intended to be used for preclinical studies regarding SOL-116, and approximately 20 percent is intended to be used to finance other operating costs. The Rights Issue is supported by the Company's larger shareholders and is covered by subscription undertakings in a total amount of approximately SEK 14.0 million, corresponding to approximately 53.1 percent of the Rights Issue. The Board of Directors' resolution on the Rights Issue is subject to approval by an extraordinary general meeting (the "EGM") planned to be held on 27 June 2023.

Summary of the Rights Issue

- The Company's drug candidate SOL-116 is currently being evaluated in an ongoing clinical phase 1 trial. The results of the trial have made it possible for the Company to advance the second part of the phase 1 trial (repeated dosing) and thus the possibility to complete the entire phase 1 trial earlier than expected. The acceleration of the clinical phase 1 trial would entail time and cost savings until the next stage of development, but also means an earlier need for capital. Therefore, Lipum's Board of Directors has resolved, subject to approval by an EGM, on the Rights Issue.
- Of the net proceeds from the Rights Issue, approximately 60 percent is intended to be used for the completion of the ongoing clinical phase 1 trial regarding the Company's drug candidate SOL-116, approximately 20 percent is intended to be used for preclinical studies regarding SOL-116, and approximately 20 percent is intended to be used to finance Lipum's other operating costs.
- A number of existing shareholders, including Flerie Invest AB ("**Flerie**") and The Crafoord Foundation, have undertaken to subscribe for their respective pro rata shares of the Rights Issue and to vote in favor of the Rights Issue at the EGM planned to be held on 27 June 2023. Furthermore, Christian von Koenigsegg (privately and through companies), the Company's CEO and founders have undertaken to subscribe for shares in the Rights Issue and to vote in favor of the Rights Issue at the EGM. In total, the subscription undertakings cover approximately 53.1 percent of the Rights Issue, corresponding to approximately SEK 14.0 million.

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- Those who on the record date 30 June 2023 are registered as shareholders in the share register maintained by Euroclear Sweden AB on behalf of Lipum have preferential right to subscribe for new shares in relation to the number of shares held on the record date.
- One (1) existing share in Lipum entitles to one (1) subscription right. Eight (8) subscription rights entitle to subscription for three (3) new shares.
- The subscription price has been set at SEK 9.20 per new share, which means that the Company will raise proceeds of approximately SEK 26.4 million before deduction of transaction costs, provided that the Rights Issue is fully subscribed.
- The subscription period is expected to run during the period 4-18 July 2023.
- A convening notice for the EGM will be announced in a separate press release later today. The EGM is planned to be held on 27 June 2023.

Commenting on the announcement, Einar Pontén, CEO of Lipum said:

“We are now facing an exciting time in Lipum’s development, and the strong support from our main shareholders is very gratifying. The first part of our clinical phase 1 trial of the biological drug candidate SOL-116 has yielded good results. The rights issue secures the funds we need to initiate the second half of the trial earlier and thus complete phase 1 faster. After that, we will be ready to proceed to phase 2, which involves efficiency studies of SOL-116 in patients with rheumatoid arthritis.”

Background and reasons for the Rights Issue

Lipum is a clinical-stage biopharmaceutical company specializing in the development of new treatments for chronic inflammatory diseases. The drug candidate SOL-116 is a humanized antibody that aims to provide safer and more effective treatment by targeting a previously overlooked target molecule (BSSL) in the immune system. Preclinical studies have shown promising results for the treatment of rheumatoid arthritis, and the unique mechanism of action is also believed to have the potential to treat other inflammatory diseases with significant medical need.

The Company’s drug candidate SOL-116 is currently being evaluated in an ongoing clinical phase 1 trial. The results of the trial have made it possible for the Company to advance the second part of the phase 1 trial (repeated dosing) and thus the possibility to complete the entire phase 1 trial earlier than expected. The acceleration of the clinical phase 1 trial would entail time and cost savings until the next stage of development, but also means an earlier need for capital. Therefore, Lipum’s Board of Directors has resolved on the Rights Issue. If the Rights Issue is fully subscribed, the Company will raise proceeds of approximately SEK 26.4 million before deduction of transaction costs. The net proceeds from the Rights Issue are intended to be used for the following purposes (stated in order of priority):

- Completion of the ongoing clinical phase 1 trial regarding the Company’s drug candidate SOL-116, approximately 60 percent
- Preclinical studies regarding SOL-116, approximately 20 percent
- Financing of Lipum’s other operating costs, approximately 20 percent

Terms and conditions for the Rights Issue

Those who are registered shareholders in the share register maintained by Euroclear Sweden AB on the record date 30 June 2023 will receive one (1) subscription right for each share held in Lipum. Eight (8) subscription rights entitle to subscription for three (3) new shares. In addition, investors are offered the possibility to subscribe for shares without subscription rights.

If not all of the shares are subscribed for by exercise of subscription rights, the Board of Directors shall resolve on allotment of shares subscribed for without the exercise of subscription rights up to the maximum amount of the share issue. In such case, priority will be given firstly to those who have applied for subscription and subscribed for shares by the exercise of subscription rights, irrespective of whether or not they were shareholders on the record date and, in case of oversubscription, pro rata in relation to the number of subscription rights exercised for the subscription of shares, and secondly allotment shall be made to others who have applied for subscription without subscription rights (the general public in Sweden and qualified investors) and, in case of oversubscription, pro rata in relation to such declared interest. To the extent allotment according to the above cannot be made pro rata, allotment shall be made by drawing of lots.

The subscription price has been set at SEK 9.20 per new share. Through the Rights Issue, Lipum's share capital will increase by a maximum of SEK 717,583.50, from the current SEK 1,913,556, to not more than SEK 2,631,139.50 through the issuance of not more than 2,870,334 new shares. After the Rights Issue, the number of shares in Lipum will amount to not more than 10,524,558 shares. Through the Rights Issue, Lipum will raise gross proceeds of approximately SEK 26.4 million, provided that the Rights Issue is fully subscribed.

The subscription period runs from and including 4 July 2023, until and including 18 July 2023, with a right for the Board of Directors of Lipum to extend the subscription period and the time for payment. Trading in subscription rights will take place on Nasdaq First North Growth Market during the period from and including 4 July 2023, until and including 13 July 2023, and trading in paid subscribed shares (*Sw. betalda tecknade aktier*) will take place during the period from and including 4 July 2023, until about week 31, 2023.

Shareholders who elect not to participate in the Rights Issue will have their holdings diluted by up to approximately 27.3 percent, but have the possibility to compensate themselves financially for the dilution by selling their subscription rights not later than 13 July 2023.

The Rights Issue is subject to approval by an EGM planned to be held on 27 June 2023. The notice to the EGM will be published through a separate press release later today and be available on Lipum's website, www.lipum.se.

Support from major shareholders

A number of existing shareholders, including Flerie (holding approximately 28.3 percent of the shares and votes in the Company) and The Crafoord Foundation (holding approximately 6.7 percent of the shares and votes in the Company), have undertaken to subscribe for their respective pro rata shares of the Rights Issue and to vote in favor of the Rights Issue at the EGM planned to be held on 27 June 2023. Furthermore, Christian von Koenigsegg (privately and through companies), the Company's CEO Einar Pontén, and the Company's founders, Olle Hernell and Susanne Lindquist, have undertaken to subscribe for shares in the Rights Issue and to vote in favor of the Rights Issue at the EGM.

In total, the subscription undertakings cover approximately 53.1 percent of the Rights Issue,

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corresponding to approximately SEK 14.0 million.

Flerie currently holds approximately 28.3 percent of the shares and votes in Lipum. The Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) has granted Flerie an exemption from the mandatory takeover bid requirement that would arise if Flerie's holding of shares or votes in Lipum would exceed 30 percent, as a consequence of Flerie's undertaking to subscribe for its pro rata share of the Rights Issue. The Swedish Securities Council's statement (AMN 2023:30) will be published on the Swedish Securities Council's website (www.aktiemarknadsnämnden.se).

Information memorandum

Complete terms and conditions for the Rights Issue and other information about the Company will be available in an information memorandum, which is expected to be published around 30 June 2023.

Postponement of the publication of the interim report for the period January-June 2023

Due to the Rights Issue, the Board of Directors of Lipum has decided to postpone the publication of the interim report for the period January-June 2023 to 31 August 2023 instead of 9 August 2023 as previously communicated.

Preliminary timetable for the Rights Issue

The timetable below is preliminary and may be subject to change.

27 June 2023	EGM to approve the Board of Directors' resolution on the Rights Issue
28 June 2023	Last trading day including the right to receive subscription rights
29 June 2023	First trading day excluding the right to receive subscription rights
30 June 2023	Publication of the information memorandum
30 June 2023	Record date for participation in the Rights Issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the Rights Issue
4-13 July 2023	Trading in subscription rights on Nasdaq First North Growth Market
4-18 July 2023	Subscription period
4 July-about week 31, 2023	Trading in BTAs (Sw. <i>betalda tecknade aktier</i>)
20 July 2023	Announcement of the outcome of the Rights Issue

Advisors

Erik Penser Bank is financial adviser and Mannheimer Swartling Advokatbyrå is legal adviser to Lipum in connection with the Rights Issue.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in the Company in any jurisdiction. This press release may not be released, published or distributed, directly or indirectly, in or into the United States of America, including its territories and possessions, any state of the United States or

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the District of Columbia (the “**United States**”), Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, or any other jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require prospectuses, registrations or other actions in addition to what follows from Swedish law. Nor may the information in this press release be forwarded, reproduced or disclosed in a manner that contravenes such restrictions or would entail such requirements. Failure to comply with this instruction may result in a violation of applicable securities laws.

The securities referred to in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”), or under the securities laws of any state or other jurisdiction in the United States and may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, in or into the United States. All offers and sales of securities in connection with any rights offer by Lipum will be made outside of the United States and in reliance on, and in compliance with, Regulation S under the Securities Act. There will be no public offering in the United States.

This press release contains certain forward-looking information that reflects the Company’s present view of future events as well as financial and operational development. Words such as “intend”, “assess”, “expect”, “may”, “plan”, “believe”, “estimate” and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.

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About Us

Lipum AB (publ) is a clinical stage biopharmaceutical company specialized in discovery and development of a novel treatment for chronic inflammatory diseases. The lead candidate SOL-116 is a humanized antibody designed to provide efficacious therapy by blocking a previously overlooked target molecule of the immune system (BSSL). SOL-116 is in clinical stage supported by solid data for rheumatoid arthritis. Lipum also explores other inflammatory diseases with a high unmet medical need. The company is based in Umeå, an excellent life science cluster in Sweden. Lipum’s unique approach has attracted international attention, including a major European Commission Horizon 2020 grant. The company’s share (LIPUM) is traded on the Nasdaq First North Growth Market. Certified Adviser is G&W Fondkommission.

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This information is information that Lipum 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 2023-06-08 09:14 CEST.

Attachments

Lipum has resolved on a rights issue of approximately SEK 26.4 million at a subscription price of SEK 9.20 per share