



AegirBio AB enters into an agreement with Atlas Special Opportunities, LLC regarding convertible bonds of SEK 55 million with attached warrants to intensify investments in i.a. TDM and saliva sampling

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The board of directors in AegirBio AB ("AegirBio" or the "Company") has entered into a convertible bond agreement with Atlas Special Opportunities, LLC ("Atlas") and as a result proposes that an extraordinary general meeting resolves on a directed issue of 550 convertible bonds for a total nominal amount of SEK 55,000,000 (the "Convertible Bonds") together with 1,384,350 warrants of serie TO3 free of charge and 1,200,650 warrants of serie TO4 free of charge to Atlas (the "Warrants"). The Convertible Bonds and Warrants are issued in so-called units where each unit contains one (1) convertible bond, 2,517 warrants of series TO3 and 2,183 warrants of series TO4 (the "Unit Issue"). In connection with this, and in order to enable the Unit Issue, a resolution regarding an amendment of the articles of association is also proposed. For the Convertible Bonds, Atlas shall pay a cash consideration of SEK 48,950,000, corresponding to 89 percent of the total nominal amount of the Convertible Bonds. The remaining eleven (11) percent of the total nominal amount of the Convertible Bonds is paid by Atlas by way of set-off against the fees to be paid by AegirBio. A notice to the extraordinary general meeting, which is planned to be held on January 20, 2023, will be published in a separate press release. The Convertible Bonds accrue zero interest during the maturity period of 24 months and the proceeds from the Unit Issue secure the financing of sales and marketing including business development, product development within therapeutic drug monitoring ("TDM") and the Company's platforms for saliva sampling and data management as well as funds for continued efficiency-enhancing measures. The convertible bond agreement is subject to customary conditions regarding conditions for the right to demand payment from Atlas (for example minimum trading volume and minimum market capitalization), obligations and undertakings, representation and warranties and events of default (for example a material negative change).

The Unit Issue consists of 550 convertible bonds issued at a nominal value of SEK 100,000 per convertible bond, corresponding to a total nominal amount of SEK 55,000,000 as well as 1,384,350 warrants of serie TO3 free of charge and 1,200,650 warrants of serie TO4 free of charge. For the Convertible Bonds, Atlas shall pay a cash consideration of SEK 48,950,000, corresponding to 89 percent of the total nominal amount of the Convertible Bonds. The remaining eleven (11) percent of the total nominal amount of the Convertible Bonds is paid by Atlas by way of set-off against the fees to be paid by AegirBio. The discount in relation to the total nominal amount corresponds to a set-up fee of seven (7) percent plus a transaction fee of

four (4) percent, which have been determined based on arm's length negotiations between the Company and Atlas. The Convertible Bonds run with zero interest and are due for payment 24 months from the date when the extraordinary general meeting decides on the Unit Issue. Atlas has the right to request conversion of all or part of the nominal amount of the Convertible Bonds up to and including the maturity date, however to a value of at least SEK 5,000,000 for each conversion request. In accordance with the terms and conditions, the conversion price shall correspond to 100 percent of the lowest daily volume-weighted average price according to Nasdaq First North Growth Market ("First North") price list for the share in the Company during the fifteen (15) trading days preceding the day of the conversion notice, however, at least the highest amount of SEK 1.00 or the share's quota value (today SEK 0.08). In order for a trading day to be taken into account, the total daily trading volume must amount to at least SEK 200,000 and Atlas may not have traded on such date. If full conversion has not taken place before the maturity date, the Company shall have the right to either (i) redeem outstanding Convertible Bonds with cash at a price corresponding to 100 percent of the nominal amount or (ii) request conversion of outstanding Convertible Bonds into shares. In addition, at any time during the term, the Company has the right to redeem outstanding Convertible Bonds with cash at a price corresponding to 110 percent of the nominal amount provided that Atlas, in connection with such request, does not wish to convert such Convertible Bonds into shares in accordance with the terms. The proceeds from the Convertible Bonds before deductions for issue costs amount to SEK 48,950,000, corresponding to 89 percent of the total nominal amount of the Convertible Bonds.

Each warrant of series TO3 that is intended to be issued in the Unit Issue entitles Atlas to subscribe for one (1) new share during the period as commencing the date on which the issue resolution is registered at the Swedish Companies Registration Office up to and including 20 January 2024, at a subscription price per share of 5.96 SEK. Each warrant of series TO4 that is intended to be issued in the Unit Issue entitles Atlas to subscribe for one (1) new share during the period as commencing the date on which the issue resolution is registered at the Swedish Companies Registration Office up to and including 20 January 2025, at a subscription price per share of 6.87 SEK. The Warrants will not be admitted to trading on First North. If the Warrants of series TO3 and TO4 are fully exercised, the Company will receive proceeds of approximately SEK 8.25 million and approximately SEK 8.25 million, respectively. The issue proceeds from the Warrants are intended to be used for business development and commercialization efforts for tests within TDM, new development of tests within the Company's core business TDM and an increased validation rate for products linked to the Company's platform for sampling via saliva.

The current year has so far been characterized by positive development within several of AegirBio's projects, and the Company is today believed to be in a stronger position than before. The first two PoC tests have received CE marking for professional use and the board of directors has been strengthened with two qualified members. In addition, the Company's experiences with antigen tests for the detection of Covid-19 have deepened the insights regarding the measurement of biomarkers in saliva, with the effect that the Company is now working on the completion of a platform for saliva sampling - an area associated with several business opportunities. In addition, AegirBio is accelerating its' efforts to expand the capability of launching more tests in PoC format, for which validation can be time and capital intensive. The proceeds from the Unit Issue secure the financing of sales and marketing including business development, product development within TDM and the Company's platforms for saliva sampling and data management as well as funds for continued efficiency-enhancing measures.

Considerations made by the board of directors

The terms for the concluded convertible bond agreement and Unit Issue, including the procedure for determining the conversion and subscription price, have been determined in arm's length negotiations with Atlas. In the negotiations, comparisons have been made with terms in other directed convertible bond issues. Furthermore, the general market situation has been taken into account by the board of directors, which makes it particularly difficult to raise capital, whereby in an overall assessment the terms are considered to be market-based.

The purpose of the issues and the reason for the deviation from the shareholders' preferential rights is that the Company sees a need to secure the financing of sales and marketing including business development, product development within TDM and the Company's platforms for saliva sampling and data management as well as funds for continued efficiency-enhancing measures. The Company's board of directors has made an overall assessment and carefully considered the possibility of raising the necessary capital through a rights issue, but believes that, inter alia, it would entail longer execution time and a risk that the Company cannot meet its' capital needs. Given the volatility in the current market climate, the board of directors has assessed that a rights issue also would require significant guarantee commitments, which would entail additional costs and/or additional dilution depending on the type of consideration paid for such guarantee commitments. Taking into account the above and after careful consideration, where the board of directors particularly took into account that the recently completed rights issue during the summer of 2022 was subscribed to approximately 47.1 percent with the support of preferential rights, it is the board of directors' assessment that the Unit Issue is the most favourable financing alternative for AegirBio and in the interests of both the shareholders and the Company and therefore also justifies a deviation from the main rule of shareholders' preferential rights.

Share loans from members of the board of directors

In connection with the Unit Issue, members of AegirBio's board of directors with shareholdings intend to enter into a share lending agreement with Atlas in order for Atlas to receive the shares as soon as possible in the event of a request for conversion of the Convertible Bonds and in the event of exercise of Warrants.

Extraordinary general meeting

Completion of the Unit Issue and the amendment of the limits in articles of association for the number of shares and the share capital require the approval of the shareholders. The board of directors intends to convene an extra ordinary general meeting to be held on January 20, 2023.

A notice to the extraordinary general meeting will be published in a separate press release.

Shares and share capital

Conditioned on the extraordinary general meeting's approval of the Unit Issue and adjustment of the limits in the articles of association and the subsequent registration of the Convertible Bonds and under the assumption of full conversion of the Convertible Bonds, the following applies. With a conversion price based on 100 percent of the lowest daily volume-weighted average price according to First North's price list for the share in the Company during the fifteen (15) trading days preceding the date of the request for conversion, calculated as of the date of this announcement, the share capital would increase by a maximum of SEK 959,682.32 and the number of shares would increase by a maximum of 11,996,029, corresponding to a dilution of approximately 36.0 percent of the total number of shares and votes in the Company. With a conversion price based on the lowest conversion price of SEK 1.00, the share capital can instead increase by a maximum of SEK 4,400,000 and the number of shares can increase by a maximum of 55,000,000 shares, which corresponds to a dilution of approximately 72.1 percent of the total number of shares and votes in the Company.

In addition, if the Warrants intended to be issued to Atlas in the Unit Issue are exercised, the share capital may increase by a maximum of SEK 206,800 and the number of shares may increase by a maximum of 2,585,000 shares. Assuming the full conversion of the Convertible Bonds at a conversion rate calculated on the date of this announcement and upon full exercise of the Warrants, a total dilution of approximately 40.7 percent will occur. Under the same assumption of full conversion of the Convertible Bonds at the lowest possible conversion price and upon full exercise of the Warrants, a total dilution of approximately 73.0 percent occurs.

"We have settled more than 60 transactions with biotech companies, notably in Europe as well as in the United States and Canada. We are very excited to enter Sweden and embark on this

journey with AegirBio to help strengthen their balance sheet and support the advancement of their unique patented technology platform to test, monitor and optimize the dosing of biological drugs. We are confident AegirBio management team will achieve remarkable milestones for patients around the world. We will also support AegirBio by way of introduction to institutional investors and synergies within our portfolio companies”, **says Sam Raslan, Director at Atlas Capital Markets**

Advisers

In conjunction with the Unit Issue, the Company has engaged [Eminova Partners AB](#) as financial adviser and Moll Wendén Advokatbyrå AB as legal advisors to the Company, Eminova Fondkommission AB acts as issuing agent.

This disclosure contains information that AegirBio is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 20-12-2022 16:55 CET.

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About AegirBio

AegirBio is a Swedish diagnostics company that was founded to offer tests to monitor and optimize the dosage of biological drugs via its' unique patented technology platform. Biological drugs are the segment within the pharmaceutical industry where use is growing the fastest. Meanwhile, drug levels vary enormously (up to 100-fold) in patients receiving standard doses of biological drugs. "One size fits all" results in patients with low drug levels not responding to treatment, while excessive drug levels increase the risk of serious side effects. In approximately 55 percent of cases, this uncertainty in dosing leads to over- or underdosing, which results in unnecessary costs, inadequate results and a higher proportion of patients with severe side effects. Through completed acquisitions, the Company has secured long-term access to key technologies and opened up new areas of application. With these acquisitions, AegirBio, starting in laboratory tests, has in a short time added technologies and competence to the Company to take the step towards the multi-diagnostic company that is the goal.

AegirBio is now building its business around technologies for:

- Laboratory developed tests, for the follow-up of patients during treatment with biological drugs
- Point-of-Care, quantitative near-patient tests for routine control in clinics and health centers
- Point-of-Need and rapid tests, quantitative home tests for chronic diseases and rapid tests for indicative and rapid test results

The acquisitions give the Company the tools to develop new diagnostics to make it possible and easy for people to monitor their health problems themselves, where the Company's ambition is, in addition to bringing innovative diagnostic technology to the market, to make diagnostics more accessible, easier to use and provide accurate and simple transferable results.

For more information, visit AegirBios website www.aegirbio.com.

About Atlas Capital Markets & Atlas Special Opportunities, LLC

Atlas Capital Markets ("ACM") is an investment fund based in London, founded in 2012. Since 2016 ACM have joint venture investment vehicles Atlas Special Opportunities, LLC and Arena Structured Private Investment with Arena Investors LP, a \$4 billion + US investment fund. More recently ACM has signed a co-investment agreement with Macquarie investment bank. ACM has closed over 80 transactions since inception and has deployed \$700M across Europe, U.S., and Asia.

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Eminova Partners AB is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, 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

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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) national 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 current shares in the Company have been subject to a product approval process, which has determined that these 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 the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company 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 Unit 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 securities in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the securities in the Company and determining appropriate distribution channels.