

The board of directors of CombiGene resolves on a fully guaranteed rights issue of approximately SEK 75 million

The board of directors of CombiGene AB (publ) ("CombiGene") has today, based on the authorisation from the annual general meeting on 29 June 2020, resolved on a fully guaranteed rights issue of no more than 166,746,926 shares. Assuming full subscription of the rights issue the proceeds will be approximately SEK 75 million before deduction of issue costs. One of the company's larger shareholders, Nyenburgh Holding B.V., has undertaken to subscribe for its pro rata share in the rights issue. Nyenburgh Holding B.V. has also entered into guarantee undertakings amounting to SEK 25 million, corresponding to approximately one third of the rights issue. In total, the rights issue is covered by subscription undertakings corresponding to approximately 12 per cent of the rights issue, and guarantee undertakings corresponding to approximately 88 per cent of the rights issue.

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- The rights issue will, if fully subscribed, provide the company with approximately SEK 75 million before issue costs.
- The net proceeds will, among other things, be used to finance the final parts of CombiGene's preclinical program for CG01 and initiated *in vivo* studies in the lipodystrophy project CGT2.
- The rights issue is covered by subscription undertakings corresponding to approximately 12 per cent of the rights issue, and guarantee undertakings corresponding to approximately 88 per cent of the rights issue.
- Existing shareholders in CombiGene will receive eight (8) subscription rights for each share and eleven (11) subscription rights entitle the holder to subscribe for one (1) new share.

"CombiGene is in an exciting development phase. In 2021, we are taking important steps with the epilepsy project CG01, which means that we plan to start the first clinical study next year. The medical need is considerable since many epilepsy patients are not helped by today's drugs. The market potential of CG01, even with prudent assumptions, amounts to USD 1.5 billion annually. Our second project, the lipodystrophy project CGT2, is also developing well and we look forward to selecting our final drug candidate during the year. This rights issue ensures that we can accelerate the development of our pipeline towards new value-creating milestones.", says Jan Nilsson, CEO, CombiGene.

Background and rationale

Having established the production platform for CG01, CombiGene's intention in 2021 is to focus on the final parts of the preclinical program for CG01 with two major preclinical studies, a biodistribution study and a safety study, which will be conducted together with CombiGene's CRO partners Northern Biomedical Research and Neurochase.

In CombiGene's lipodystrophy project CGT2, several drug candidates are evaluated with the goal of choosing a final candidate for further preclinical studies in 2021. A first selection of drug candidates has been made based on *in vitro* experiments with liver cells and CombiGene initiated the next step in the development process in November 2020 by initiating *in vivo* studies to evaluate the level of protein expression that can be achieved in experimental models. The company aims to identify one or two potent lead drug candidates to initiate concept verification studies during the first half of 2021.

In order to advance its pipeline programs toward the potential value inflection points arising out of the final parts of CombiGene's preclinical program for CG01 and *in vivo* studies in the lipodystrophy project CGT2, the company needs to capitalize further, which is why the board of directors today, 8 March 2021, resolved on the rights issue.

In the case of a fully subscribed rights issue, CombiGene will receive approximately SEK 75 million before issue costs, which are expected to amount to approximately SEK 9.3 million. Thus, the net proceeds from rights issue amount to approximately SEK 65.7 million. The net proceeds are planned to be distributed in accordance with the following order of priority and scope:

- GMP production of the drug candidate CG01: approximately 30 per cent
- Final preclinical biodistribution and safety studies - CG01: approximately 40 per cent
- *In vivo* studies for evaluation of gene therapy vectors - CGT2: approximately 10 per cent
- Financing of CombiGene's ongoing operations: approximately 20 per cent

Terms and conditions for the rights issue

Below is a summary of the terms and conditions of the rights issue:

- Subscription period: 17 March 2021 up to and including 31 March 2021.
- Subscription price: SEK 0.45 per each share. No commission will be charged.
- Record date: 15 March 2021. Last day of trading including the right to receive subscription rights is 11 March 2021. First day of trading excluding the right to receive subscription rights is 12 March 2021. Trading in subscription rights will take place on Nasdaq First North Growth Market.
- Issue volume: The offer comprises no more than 166,746,926 shares, which means that the issue proceeds will be approximately SEK 75 million, before deduction of issue costs, provided that the rights issue is fully subscribed.
- Preferential rights: Each current share in CombiGene entitles to eight (8) subscription rights, and eleven (11) subscription rights entitle to subscription for one (1) new share.
- Subscription for shares without subscription rights may also be made. In case not all new shares are subscribed for by the exercise of subscription rights, the board of directors will resolve on allotment of shares subscribed for without subscription rights as follows: the new

shares will firstly be allotted to those who have also subscribed for shares by the exercise of subscription rights (regardless of whether the subscriber was a shareholder on the record date or not), secondly be allotted to other parties who have applied for subscription without subscription rights, and thirdly, any remaining shares will be allotted to the guarantors, in accordance with the terms and conditions set out in their respective guarantee undertakings.

Shareholders who choose not to participate in the rights issue will have their shareholding diluted by approximately 42 per cent but are able to financially compensate for this dilution by selling their subscription rights.

Subscription and guarantee undertakings

The rights issue is covered by subscription undertakings corresponding to approximately 12 per cent of the rights issue, and guarantee undertakings corresponding to approximately 88 per cent of the rights issue. Among those who have submitted subscription undertakings are one of CombiGene's larger shareholders Nyenburgh Holding B.V., who has undertaken to subscribe for its pro rata share in the rights issue. Nyenburgh Holding B.V. has also entered into guarantee undertakings amounting to SEK 25 million, corresponding to approximately one third of the rights issue. Neither subscription undertakings nor guarantee undertakings are secured by bank guarantee, blocked funds, pledges or similar arrangements. The guarantee undertakings are subject to a guarantee commission paid in cash and amounting to eight (8) per cent of the guaranteed amount. No compensation is paid for provided subscription undertakings. All board members and senior executives holding shares in CombiGene, have entered into so-called lock-up arrangements before the rights issue, by undertaking, with customary reservations, not to sell their respective shares or otherwise carry out transactions with a similar effect, during 180 days following start of trading of the new shares in the rights issue. Further information on the parties that have entered into subscription and guarantee undertakings and lock up will be disclosed in the EU Growth Prospectus which will be published by the company in connection with the rights issue.

Preliminary timetable for the rights issue

Last day of trading of the share including right to receive subscription rights	11 March 2021
First day of trading of the share excluding right to receive subscription rights	12 March 2021
Record date for receiving subscription rights	15 March 2021
The EU Growth Prospectus is made public	15 March 2021
Trading in subscription rights	17-26 March 2021
Subscription period	17-31 March 2021
	Around 6 April

Advisors

Vator Securities AB is financial adviser and Advokatfirmaet Schjødt AS, filial is legal adviser to CombiGene in connection with the rights issue. Hagberg & Aneborn Fondkommission AB is issuing agent in connection with the rights issue.

This information is the information that CombiGene AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was provided by the below contact person for publication on 8 March 2021 at 08:20 CET.

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 CombiGene. Any invitation to the persons concerned to subscribe for shares in CombiGene will only be made through the EU Growth Prospectus which CombiGene expects to make public around 15 March 2021.

This press release may not be released, published or distributed, directly or indirectly, in or into USA, Canada, Japan, Australia, Hong Kong, New Zealand, Switzerland, Singapore, South Africa or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Nor may this press release be distributed in or into such countries or any other country or jurisdiction in which distribution requires such measures or otherwise would be in conflict with applicable regulations. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

No subscription rights, paid subscription shares (Sw. Betalda tecknade aktier) or shares issued by CombiGene have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction of the United States and no subscription rights, paid subscription shares or shares may be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, in or into the United States. There will be no public offering of such securities in the United States. The securities referred to herein have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the rights issue or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

This press release contains certain forward-looking information that reflects CombiGene'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.

Contacts

Jan Nilsson, CEO
Phone: +46 (0)704 66 31 63
jan.nilsson@combigene.com

Bert Junno, Chairman of the board
Phone: +46 (0)707 77 22 09
bert.junno@combigene.com

www.combigene.com
CombiGene AB (publ) Medicon Village, SE-223 81 Lund, Sweden
info@combigene.com

About CombiGene

CombiGene's vision is to provide patients affected by severe life-altering diseases with the prospect of a better life through novel gene therapies.

CombiGene's business concept is to develop effective gene therapies for severe life-altering diseases where adequate treatment is currently lacking. Development assets are sourced from an external research network and developed to achieve clinical proof of concept. Drug candidates for common diseases will be co-developed and commercialized through strategic partnerships, while the company may manage this process on its own for drugs targeting niched patient populations.

The company is public and listed on the Swedish marketplace Nasdaq First North Growth Market and the company's Certified Advisor is FNCA Sweden AB, +46 (0)852 80 03 99, info@fnca.se.

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 823282

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 2021-03-08 08:20 CET.

Attachments

[The board of directors of CombiGene resolves on a fully guaranteed rights issue of approximately SEK 75 million](#)