

Toleranzia carries out a rights issue of units of approximately SEK 55 million

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SINGAPORE, SOUTH AFRICA, SOUTH KOREA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES. PLEASE REFER TO IMPORTANT INFORMATION AT THE END OF THE PRESS RELEASE.

The Board of Directors of Toleranzia AB ("Toleranzia" or the "Company") has today, with authorization from the general meeting on 7 June 2023, decided to carry out an issue of units consisting of shares and warrants with preferential rights for existing shareholders of approximately SEK 55 million (the "Rights Issue"). The Rights Issue is covered to approximately 47 per cent through subscription commitments.

The Rights Issue in brief

- The Board of Directors of Toleranzia has, with authorization from the general meeting on 7 June 2023, resolved to carry out the Rights Issue of a maximum 110,315,231 units, corresponding to 110,315,231 shares and 110,315,231 warrants of series TO4.
- If fully subscribed, the Rights Issue would provide Toleranzia with approximately SEK 55 million before issue costs.
- In the event of full subscription and full exercise of all warrants of series TO4 in conjunction with offered units, the Company may be provided with an additional maximum of approximately SEK 55 million.
- The Rights Issue is covered to approximately 47 per cent by subscription commitments.
- All existing shareholders will receive one (1) unit right for each one (1) share owned on the record date, 25 August 2023. One (1) unit right gives the right to subscribe for one (1) unit. One (1) unit consists of one (1) newly issued share and one (1) warrant of series TO4. The subscription price per unit is SEK 0.50, corresponding to SEK 0.50 per share. The warrants are issued free of charge.
- The subscription period for the Rights Issue will run from 30 August 2023 until 13 September 2023.
- In addition, the board may decide on an over-allotment issue in the form of a directed new issue of a maximum 11,031,523 units, provided that the Rights Issue is fully subscribed. ("The Overallotment Issue")

"With financing from the now resolved issue, Toleranzia will be able to complete all preclinical activities and documentation of our drug candidate TOL2 and take it into clinical studies in patients with the nerve-muscle disease myasthenia gravis. It will be an exciting journey towards, what we hope, a new, safe, effective and commercially successful drug for patients with a great medical need. I would like to welcome all current and future shareholders to participate in this advanced phasedevelopment of the company's most important product", comments Charlotte Friberg, CEO of

Toleranzia.

Background and rationale

Toleranzia is a Swedish biotechnology company that develops drugs that utilise the immune system's own power to treat autoimmune orphan diseases (rare diseases). According to the Company's assessment, the drugs have the potential to be the first long-acting or curative treatments that act specifically on the underlying cause of the autoimmune disease for which they are being developed. Toleranzia's main focus is the autoimmune nerve and muscle disease myasthenia gravis, for which the Company is developing the drug candidate TOL2. In addition, Toleranzia is working on the autoimmune blood vessel disease ANCA vasculitis, for which the Company is developing the drug candidate TOL3. For both diseases there is a great medical need and a large market potential.

Toleranzia intends to carry out the Rights Issue to finance completion of the manufacturing of a clinical trial batch (GMP batch) of TOL2, final formulation and filling and finishing of the pharmaceutical product up to finished containers (fill & finish), conducting toxicological studies in accordance with good laboratory practice (GLP-toxicological studies) and completing preparatory work for a phase I/IIa clinical trial of the drug candidate TOL2 in patients, including a clinical trial application and contracting a clinical CRO, and initiation of the Phase I/IIa clinical study of TOL2 in patients with myasthenia gravis, as well as continued development of the drug candidate TOL3, business development and other operating activities.

The proceeds from the Rights Issue, and associated warrants of series TO4, shall primarily be used for:

1. completion of manufacturing, documentation and quality control of a GMP batch of TOL2 GMP drug substance, approximately 10 per cent.
2. final formulation and fill & finish of the finished pharmaceutical product, approximately 15 per cent.
3. conducting GLP toxicological and safety pharmacological studies, approximately 20 per cent.
4. clinical trial application, contracting of clinical CRO and initiation of clinical study, approximately 20 per cent.
5. development of the drug candidate TOL3, approximately 7 per cent
6. other operating activities and business development, approximately 18 per cent
7. repayment of loan to Flerie Invest AB, approximately 10 per cent.

Terms for the Rights Issue

The Board of Directors of Toleranzia AB has resolved on the Rights Issue, with authorization from the general meeting on 7 June 2023, in accordance with the following main terms:

- All existing shareholders will receive one (1) unit right for each one (1) share owned on the record date, 25 August 2023. One (1) unit rights give the right to subscribe for one (1) unit. One (1) unit consists of one (1) share and one (1) warrant of series TO4. The subscription price per unit is SEK 0.50, corresponding to SEK 0.50 per share (the warrants are issued free of charge)
- The Rights Issue entails an issue of a maximum of 110,315,231 units, corresponding to 110,315,231 shares and 110,315,231 warrants of series TO4.
- Upon full subscription in the Rights Issue, the Company receives initially approximately SEK 55 million before issue costs.
- The subscription period for subscription of units will run from 30 August 2023, up to and including 13 September 2023.
- Through the Rights Issue, the share capital may increase initially by a maximum of SEK 13,789,403,875, from SEK 13,789,403,875 to SEK 27,578,807,750, and the number of shares can increase with maximum of 110,315,231 shares from 110,315,231 shares to 220,630,462 shares.
- Upon full exercise of the warrants of series TO4 covered by the Rights Issue, the share capital may increase by an additional SEK 13,789,043,875 and the number of shares may increase with additional 110,315,231 shares.
- Upon full subscription in the Rights Issue and full subscription of the warrants of series TO4 the share capital will amount to SEK 41,368,211,625 and the number of shares will amount to 330,945,693.
- Shareholders in the Company that does not subscribe for units in the Rights Issue will be diluted initially by approximately 50 per cent.

Warrants of series TO4

- Every warrant of series TO4 gives the right to subscribe for one (1) new share in the Company. The subscription price for subscription of shares with the support of warrants of series TO4 amounts to SEK 0.50.
- The exercise period for subscription of shares with the support of the warrants of series TO4 will run from 7 October 2024, up to and including 21 October 2024.
- In the event of full subscription and full exercise of all warrants of series TO4 in conjunction with offered units, the Company may be provided with an additional maximum of approximately SEK 55 million.
- The maximum increase of share in the Company due to subscription in the Rights Issue and full subscription of attached warrants TO4 can mean further dilution of approximately 33.33 per cent.
- The warrants of series TO4 are intended to be admitted to trading on the Nasdaq First North Growth Market after final registration with the Swedish Companies Registration Office.

Subscription commitment

The Rights Issue is covered to approximately 47 per cent by subscription commitment from the Company's largest shareholder Flerie Invest AB. The subscription commitment is not secured through bank guarantees, pledge or similar arrangements. No remuneration is paid for the subscription commitment.

Overallotment Issue

If the Rights issue is oversubscribed, the board may, in whole or in part, decide on an Overallotment Issue. The Overallotment Issue may entail a maximum of 11,031,523 units. The terms of the Overallotment Issue will be on the same as in the Rights Issue. At the issue resolution, the Board of Directors shall decide on allocation in accordance with the principles for allocation in the Rights Issue. The reason for deviating from the shareholders' preferential rights is to be able to utilise the possibility for the Company to receive additional issue proceeds in the event of an oversubscription of the Rights Issue. The right to subscribe for units in the Overallotment Issue shall accrue to those who subscribe for units in the Preference issue without receiving full allocation.

Prospectus

An EU growth prospectus and application form will be available before the beginning of the subscription period on the Company's website, www.toleranzia.se.

Preliminary timetable

23 August 2023	Last day of trading in Toleranzia's shares including the right to receive unit rights
24 August 2023	Last day of trading in Toleranzia's shares excluding the right to receive unit rights
25 August 2023	Record date for obtaining unit rights. Shareholders who are registered in the share register kept by Euroclear Sweden AB on this day, receive unit rights for participation in the Rights Issue.
30 August 2023 – 8 September 2023	Trading with unit rights on Nasdaq First North Growth Market
30 August 2023 – 13 September 2023	Subscription period for the Rights Issue
30 August 2023 – 2 Oktober 2023	Trading with BTU on Nasdaq First North Growth Market
15 September 2023	Estimated date for publication of issue results

Advisers

Zonda Partners AB is the financial advisor and Eversheds Sutherland Advokatbyrå AB is the legal advisor to the Company in connection with the Rights Issue. Nordic Issuing acts as issuing agent in connection with the Rights Issue.

For further information, please contact:

Charlotte Friberg - CEO, Toleranzia

Tel: +46 763 19 98 98

Email: charlotte.friberg@toleranzia.com

*This information is information that Toleranzia AB 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 [**] [**] CEST.*

About Toleranzia AB (publ)

Toleranzia AB (publ) develops drugs that harness the power of the immune system for the treatment of autoimmune orphan diseases. The drugs, which target the cause of the disease, can cure or significantly alleviate the disease and not, like current treatments, merely reduce the symptoms. They have the potential to be the first long-acting or curative therapies that act specifically on the underlying cause of the autoimmune orphan disease for which they are being developed. Toleranzia's shares are listed on the Nasdaq First North Growth Market and Mangold Fondkommission AB, 08-503 015 50, CA@mangold.se, is the company's Certified Adviser.

IMPORTANT INFORMATION

THE PUBLICATION, RELEASE OR DISTRIBUTION OF THIS PRESS RELEASE MAY, IN CERTAIN JURISDICTIONS, BE SUBJECT TO LEGAL RESTRICTIONS AND PERSONS IN THE JURISDICTIONS IN WHICH THIS PRESS RELEASE HAS BEEN PUBLISHED OR DISTRIBUTED SHOULD INFORM THEMSELVES ABOUT AND OBSERVE SUCH LEGAL RESTRICTIONS. THE RECIPIENT OF THIS PRESS RELEASE IS RESPONSIBLE FOR USING THIS PRESS RELEASE AND THE INFORMATION CONTAINED HEREIN IN ACCORDANCE WITH THE APPLICABLE RULES IN EACH JURISDICTION. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER, OR A SOLICITATION OF AN OFFER, TO BUY OR SUBSCRIBE FOR ANY SECURITIES IN THE COMPANY IN ANY JURISDICTION, NEITHER FROM THE COMPANY NOR FROM ANYONE ELSE.

THIS PRESS RELEASE IS NOT A PROSPECTUS WITHIN THE MEANING OF REGULATION (EU) 2017 /1129 (THE "PROSPECTUS REGULATION") AND HAS NOT BEEN APPROVED BY ANY REGULATORY AUTHORITY IN ANY JURISDICTION.

THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER OR INVITATION TO ACQUIRE 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 U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION, AN 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 SUCH 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, IN OR INTO THE UNITED STATES (INCLUDING ITS TERRITORIES AND PROVINCES, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA), AUSTRALIA, SINGAPORE, NEW ZEALAND, JAPAN, SOUTH KOREA, CANADA, HONG KONG OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION OF THIS INFORMATION WOULD BE UNLAWFUL OR WHERE SUCH ACTION IS SUBJECT TO LEGAL RESTRICTIONS OR WOULD REQUIRE ADDITIONAL REGISTRATION OR OTHER MEASURES OTHER THAN THOSE REQUIRED BY SWEDISH LAW. ACTIONS CONTRARY TO THESE INSTRUCTIONS MAY CONSTITUTE A VIOLATION OF APPLICABLE SECURITIES LAWS.

IN THE UNITED KINGDOM, THIS DOCUMENT, AND ANY OTHER MATERIAL RELATING TO THE SECURITIES REFERRED TO HEREIN, IS ONLY BEING DISTRIBUTED AND DIRECTED TO, 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) PERSONS OF HIGH NET WORTH REFERRED TO IN ARTICLE 49(2)(A) TO (D) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS NOTICE RELATES IS AVAILABLE IN THE UNITED KINGDOM ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. PERSONS WHO ARE NOT RELEVANT PERSONS SHOULD NOT TAKE ANY ACTION BASED ON THIS ANNOUNCEMENT AND SHOULD NOT ACT OR RELY ON IT.

FORWARD-LOOKING STATEMENTS

TO THE EXTENT THAT THIS PRESS RELEASE CONTAINS FORWARD-LOOKING STATEMENTS, SUCH STATEMENTS DO NOT REPRESENT FACTS AND ARE CHARACTERISED BY WORDS SUCH AS "WILL", "EXPECT", "BELIEVE", "ESTIMATE", "INTEND", "INTEND", "ASSUME" AND SIMILAR EXPRESSIONS. SUCH STATEMENTS EXPRESS TOLERANZIA'S INTENTIONS, OPINIONS OR CURRENT EXPECTATIONS OR ASSUMPTIONS. SUCH FORWARD-LOOKING STATEMENTS ARE BASED ON CURRENT PLANS, ESTIMATES AND PROJECTIONS WHICH TOLERANZIA HAS MADE TO THE BEST OF ITS ABILITY BUT WHICH TOLERANZIA DOES NOT CLAIM WILL BE ACCURATE IN THE FUTURE. FORWARD-LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES THAT ARE DIFFICULT TO PREDICT AND GENERALLY CANNOT BE INFLUENCED BY TOLERANZIA. IT SHOULD BE KEPT IN MIND THAT ACTUAL EVENTS OR OUTCOMES MAY DIFFER MATERIALLY FROM WHAT IS CONTEMPLATED OR EXPRESSED IN SUCH FORWARD-LOOKING STATEMENTS.

INFORMATION TO DISTRIBUTORS

IN ORDER TO FULFIL THE PRODUCT STEWARDSHIP 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 EXTRA-CONTRACTUAL, INTRA-CONTRACTUAL OR OTHER LIABILITY TO WHICH ANY "MANUFACTURER" (WITHIN THE MEANING OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE BE SUBJECT, THE OFFERED SHARES HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT THESE SECURITIES ARE: (I) SUITABLE FOR A TARGET MARKET CONSISTING OF RETAIL INVESTORS AND INVESTORS WHO FULFIL THE CRITERIA FOR PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES, AS DEFINED IN MIFID II; AND (II) SUITABLE FOR DISTRIBUTION THROUGH ALL DISTRIBUTION CHANNELS PERMITTED UNDER MIFID II (THE "TARGET MARKET ASSESSMENT"). NOTWITHSTANDING THE TARGET MARKET ASSESSMENT, DISTRIBUTORS SHOULD NOTE THAT: THE PRICE OF THE COMPANY'S SHARES OR WARRANTS MAY FALL AND INVESTORS MAY LOSE ALL OR PART OF THEIR INVESTMENT; THAT THE COMPANY'S SHARES AND WARRANTS DO NOT CARRY ANY GUARANTEE OF RETURN OR CAPITAL PROTECTION; AND THAT AN INVESTMENT IN THE COMPANY'S SHARES OR WARRANTS IS SUITABLE ONLY 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 RESTRICTIONS ON SALES IN CONNECTION WITH 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 OR WARRANTS OF THE COMPANY.

EACH DISTRIBUTOR IS RESPONSIBLE FOR CARRYING OUT ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE COMPANY'S SHARES AND FOR DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

This information is information that Toleranzia 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 2023-08-18 11:20 CEST.

Press Release
18 August 2023 11:20:00 CEST



Attachments

[Toleranzia carries out a rights issue of units of approximately SEK 55 million](#)