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Press release December 10, 2020

## **Polygiene carries out a directed new share issue of SEK 280 million, conditional on approval from the extraordinary shareholders' meeting**

**Polygiene AB (publ) ("Polygiene" or the "Company") has, as communicated in its press release earlier today, resolved on a directed new share issue of 10,256,411 shares conditional on approval granted by the extraordinary shareholders' meeting (the "Directed New Share Issue"). The subscription price of the shares in the Directed New Share Issue amounts to SEK 27.3 per share. Through the Directed New Share Issue, Polygiene will receive proceeds amounting to approximately SEK 280 million before deduction of transaction costs. The issue proceeds will be used as part of the financing of the acquisition of the UK based company Addmaster Holdings Limited ("Addmaster") (the "Acquisition") which the Company announced earlier today.**

The board of directors of Polygiene has resolved on a Directed New Share Issue of 10,256,411 shares conditional on approval granted by the extraordinary shareholders' meeting. The implementation of the Directed New Share Issue requires that both the Directed New Share Issue and the issue of the consideration shares to be issued in connection with the Acquisition are approved at the extraordinary shareholders' meeting of the Company which will be held on December 30, 2020. Shareholders who together hold approximately 28 per cent of the total number of shares and votes in Polygiene have undertaken to vote for the issues at the extraordinary shareholders' meeting. Notice of the extraordinary shareholders' meeting will be published through a separate press release.

A large number of Swedish and international institutional investors, including DNCA Investments, funds managed under the Lloyd Fonds brand, Consensus Asset Management, Didner & Gerge Fonder and Lancelot Asset Management, participated in the Directed New Share Issue. The subscription price in the Directed New Share Issue is SEK 27.3 per new share and has been determined through an accelerated bookbuilding procedure carried out by the Company's financial advisor Pareto Securities AB ("Pareto Securities"), why it is the board of directors' assessment that the subscription price is in accordance with market terms and conditions. The subscription price in the Directed New Share Issue constitutes a discount of approximately 3.5 per cent compared to the closing price on 10 December 2020. The net proceeds from the Directed New Share Issue are intended to be used to finance the cash part of the purchase price in the Acquisition, transaction costs and working capital needs. For further information regarding the funding of the Acquisition, see separate press release with the headline "Polygiene AB (publ) acquires the leading UK based additive company Addmaster" which was announced earlier today.

The reasons for the deviation from the shareholders' preferential rights was to diversify the ownership base in the Company among Swedish as well as international institutional and reputable investors and to take the opportunity to raise capital in a time and cost efficient manner. As the subscription price in the Directed New Share Issue has been determined through an accelerated bookbuilding procedure, it is the board of director's assessment that the subscription price is set in accordance with market conditions.

Payment from the investors and delivery of shares in the Directed New Share issue is expected to occur around January 8, 2021.

Through the Directed New Share Issue, the number of outstanding shares and votes will increase by 10,256,411 from 20,516,000 to 30,772,411. The share capital will increase by SEK 1,025,641.1, from SEK 2,051,600.0 to SEK 3,077,241.1, corresponding to a dilution of approximately 33.3 per cent of the number of shares and votes in the Company. Through the issue of the consideration shares to the sellers in the Acquisition, the number of outstanding shares and votes increases by an additional 4,564,174, from 30,772,411 to 35,336,585. In total, the Directed New Share Issue and the issue of the consideration shares to the sellers in the Acquisition entail a dilution of approximately 41.9 per cent of the number of shares and votes in the Company.

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 12 months after the settlement date in the Directed New Share Issue. Board members and persons of the management holding shares in the Company have undertaken, with customary exceptions, not to sell any shares in Polygiene for a period of 180 calendar days after the settlement date in the Directed New Share Issue. The sellers in Addmaster have also undertaken, with certain customary exceptions, not to sell the newly issued shares received as consideration in the Acquisition for a certain period after the closing date. For 1/3 of the consideration shares, the commitment applies for 12 months from the closing date, for 1/3 of the consideration shares, the commitment applies for 24 months from the closing date and for 1/3 of the consideration shares, the commitment applies for 36 months from the closing date (for further information regarding the Acquisition, see separate press release with the headline "Polygiene AB (publ) acquires the leading UK based additive company Addmaster" which was released earlier today).

#### **Advisers**

Pareto Securities AB is acting as Sole Manager and Bookrunner, Setterwalls Advokatbyrå AB is legal counsel to the Company and Baker McKenzie Advokatbyrå KB is legal counsel to Pareto Securities in connection with the Directed New Share Issue.

#### **For additional information, please contact:**

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#### **About Polygiene AB (publ)**

Polygiene AB (publ) is a leading global ingredients brand company and supplier of antimicrobial additives for soft surfaces based in Malmö, Sweden. As world leader in stays fresh and odor control technologies, Polygiene wants to change the way we view clothes - from fast consumables to sustainable durables. The Company treats clothes, home products and textiles to help people stay fresh, wash less and let clothes and products live longer. More than 140 global premium brands have chosen Polygiene's brand to treat their products. Polygiene is listed on Nasdaq First North Growth Market with the ticker code POLYG, Erik Penser Bank AB is the Company's Certified Advisor (CA) and can be reached via telephone +46 (0)8 463 83 00 or via e-mail [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se). For more information: <https://ir.polygiene.com/en/home/>

*This information is such that Polygiene AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact person above, on December 10, 2020 at 22:15 CET.*

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Directed New Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Pareto Securities (the "Manager"). The Manager 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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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed New Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, 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 expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. 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, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

### **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) local 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 shares in Polygiene have been subject to a product approval process, which has determined that such 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 Polygiene may decline and investors could lose all or part of their investment; the shares in Polygiene offer no guaranteed income and no capital protection; and an investment in the shares in Polygiene 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 Directed New Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure 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 in Polygiene.

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