



Bayn Europe secures external financing of up to SEK 20 million to support the roll-out of EUREBA® and issues free warrants to its shareholders

Bayn Europe has signed an agreement relating to an investment of up to SEK 20 million. The capital will be used for the production and the roll-out of EUREBA®, a natural solution for sugar and calorie reduction, with a consistent quality and taste profile. The transaction is carried out through a private placement of convertible notes (the "Notes") with warrants attached (the "Warrants") in several tranches spread over 24 months (each, a "Tranche").

"This investment will enable us to roll-out EUREBA® and produce in enough volumes in order to meet the demand. We are pleased to be able to welcome a large international institutional investor among our investors", says Lucy Dahlgren, Bayn Europe's CEO and founder.

The Tranches are subscribed by a fund managed by L1 Capital Pty, Ltd. (the "Investor"). L1 Capital is a fund manager based in Melbourne, with over US\$ 1 billion under management. L1 Capital manages 5 funds with positions across the globe and sectors and has been one of Australia's top performing Australian equity fund managers since its inception in 2007. L1 Capital's investments in Europe focus on technology and healthcare smallcap companies presenting a strong growth potential.

The placement of the first Tranche of SEK 3 million by Bayn Europe, whose execution is conditioned upon prior shareholders' approval, is the first transaction launched under the global issuance agreement entered into by Bayn Europe with the Investor dated Oct 24, 2017.

In connection with this agreement, Bayn Europe will also issue free warrants to existing shareholders, to protect them against dilution (the "Shareholders Warrants"). For the first Tranche, one (1) warrant will be allocated for fifteen (15) shares held on 21 days after the date of this press release. The Shareholders Warrants will have the same characteristics as those of the Investor.

Highlights about the transaction:

- The first Tranche is a private placement of SEK 3 million launched through the issuance of Notes with Warrants attached.
 - Upon the full exercise of the Warrants and the Shareholders' Warrants of the first Tranche, the investment may provide Bayn Europe with an additional SEK 4.45 million.
 - Maximum additional potential financing of up to SEK 17 million (plus up to a SEK 12.75 million upon exercise of all the Warrants) through further Tranches of Notes with Warrants attached over the next 24 months, subject to fulfilment of certain conditions.
 - As a technical measure in order to meet the Investor's demand for immediate access to its shares, the majority shareholders Första Entreprenörskönsfonden and Bayn Europe's CEO Lucy Dahlgren will, during a transitional period, lend shares to the share agent engaged for this financing agreement.
 - Bayn Europe's board of directors will shortly approve the issuance of the first Tranche as it is within the limitations of Bayn Europe's articles of association.

Main characteristics of the Notes, the Warrants and the Shareholders' Warrants:

- The Notes have a principal amount of SEK 50,000 each. They bear no interest and have a maturity of 12 months from the date of the registration of their issuance with the Swedish Companies Registration Office. During their term, the Investor may request to convert any or all of the Notes at a variable conversion price representing a discount to the lowest daily closing bid price over the 15 trading days (the "Reference Price") preceding the conversion date. The discount will be equal to 12% for the first SEK 10 million of the investment and 10% for the subsequent SEK 10 million of the investment.
 - Upon such conversion request, Bayn Europe have the option to remit, at its discretion, cash, shares in Bayn Europe or a combination of both. This characteristic will enable Bayn Europe to manage the potential dilution resulting from the notes.
 - The Warrants have a maturity of three (3) years from the date of the registration of their issuance with the Swedish Companies Registration Office and will immediately be detached from the Notes. Each Warrant gives right to subscribe for one (1) new share (subject to standard adjustments in accordance with the terms and conditions of the Warrants) in Bayn Europe at a fixed strike price representing a 15% premium to the Reference Price on the date of the request from Bayn Europe to issue a new Tranche.
 - In the specific case of the first Tranche, the strike price will represent a 15% premium to the lower of (i) the Reference Price on the date of issuance of the first Tranche, (ii) the Reference Price on the date of signature of the term sheet between Bayn Europe and the Investor, and (iii) the Reference Price on the date of signature of the issuance agreement. Bayn Europe will publicly announce the number and the strike price of these Warrants upon issuance of the first Tranche.
 - The Shareholders Warrants will have the same characteristics as the Warrants and will be admitted to trading on Nasdaq First North.

Issuance of the subsequent Tranches

- Bayn Europe's board of directors has committed to the Investor that it will, at a general shareholders' meeting, propose to increase the maximum number of shares that can be issued, if necessary, and to delegate the authority to the board of directors to approve the issuance of further Tranches of Notes with Warrants attached.
 - Each subsequent Tranche will amount to SEK 1.5 million (such amount may be increased upon mutual consent of the Investor and Bayn Europe).
 - Subject to the fulfillment of the following conditions on the date of the request and the date of funding of the requested Tranche, Bayn Europe can request the Investor to subscribe a new Tranche:
 1. . all outstanding Notes have been converted or redeemed;
 2. . no material adverse change has occurred;
 3. . no event of default is in existence;
 4. . no impossibility for the conversion of the Notes has occurred over the 90 preceding calendar days;

5. . no suspension of trading of the shares has occurred over the 90 preceding calendar days;
6. . Bayn Europe has a sufficient number of shares authorized for issuance by the board of directors upon conversion of the Notes into shares and upon exercise of the Warrants;
7. . the closing price and the daily volume weighted average price of the shares on each of the 5 preceding trading days is at least equal to SEK 2.40; and
8. . the average daily value traded of the shares over the 10 preceding trading days is at least equal to SEK 100,000.

The full terms and conditions of the Notes and the Warrants will also be published on Bayn Europe's website (in both Swedish and English).

Example based on one Tranche:

- Issuance of Tranche:
 - Tranche amount: SEK 3,000,000
 - Tranche issuance Reference Price: SEK 4
 - Strike price of Warrants: $\text{SEK } 4 * 115\% \approx \text{SEK } 4,60$
 - Number of Notes: $3,000,000 / 50,000 = 60$ Notes
 - Number of Warrants: $3,000,000 * 75\% / (4,6) = 489.130$
 - Number of additional warrants for Bayn Europe's shareholders: 489.130
 - Conversion of Notes:
 - Reference Price: SEK 5
 - Conversion Price: $\text{SEK } 5 * 88\% \approx \text{SEK } 4,40$
 - Number of shares: $\text{SEK } 3,000,000 / \text{SEK } 4,40 = 774.793$ shares
 - Full exercise of warrants: Dilution of shareholders per current number of shares from Notes and at full exercise of all warrants: ~11.2%
 - Investment from Investor's Warrants at exercise: $\text{SEK } 4,60 * 489.130 = \text{SEK } 2.249.998$
 - Investment from Shareholders' Warrants at exercise: $\text{SEK } 4,60 * 489.130 = \text{SEK } 2.249.998$
 - Total number of shares from warrants: 978.261
 - Total additional investment from warrants: SEK 4.499.996
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- **About Bayn Europe**
- Bayn Europe is an independent formulation developer of cutting edge and healthy sugar reduction solutions for the food and beverage industry. Bayn's total solutions focus on taste, texture and cost-in-use. Bayn's product portfolio contains ingredients and sugar replacers for food and beverage applications. Bayn's business model is based on solid networks of scientific research, market channel partnerships and contracted manufacturers.
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- Bayn Europe was founded in 2009 in Stockholm, Sweden, and is listed at Nasdaq Stockholm, First North, since 2014.
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- Mangold Fondkommission AB is Bayn's Certified Adviser. Telephone +46-8-5030 1550.

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