

## **Peptonic has completed the acquisition of a majority of the shares in Lune Group Oy**

Stockholm, June 3<sup>rd</sup>, 2020 - On 14 May 2020, Peptonic Medical AB (publ) (“Peptonic” or the “Company”) announced that the Company had entered into an agreement to acquire a majority of the shares in Lune Group Oy (“Lune”). All conditions for the acquisition pursuant to the agreement have been fulfilled and Peptonic has today completed the acquisition of 60 existing shares in Lune. In connection with the completion, the board has resolved on an issue of 12,228,133 new shares against payment in kind to the current shareholders of Lune as payment for the existing shares in Lune. The board has further resolved on a directed issue of 4,787,037 new shares to Vidarstiftelsen resulting in a cash contribution to Peptonic of 7.5 MSEK which will be used as cash payment for newly issued shares in Lune. The share issues have been resolved in accordance with the authorization from the annual general meeting 2019 and in accordance with the terms that were announced through a press release on 14 May 2020.

### **Acquisition of existing shares in Lune**

Peptonic has today completed the acquisition of 60 of in total 100 existing shares in Lune from the current shareholders of Lune (the “Sellers”) The fixed purchase price for the existing shares amounts to approx. 1.8 MEUR, corresponding to approx. 19.2 MSEK (based on a SEK/EUR exchange rate of 10.64), and shall be paid in its entirety in the form of new shares in Peptonic (the “Consideration Shares”) through a share issue against payment in kind (see below).

Further, Peptonic has a call option which entails a right to acquire the remaining shares in Lune from the Sellers during the period of three years after closing against a consideration based on the same valuation. If Peptonic exercises the call option, the total purchase price for the existing shares in Lune (excluding a potential earn-out) will amount to approx. 3.0 MEUR, corresponding to 32.0 MSEK. The Sellers are also entitled to a variable earn-out based on the net sales and gross profits of Lune in the financial years 2021 and 2022.

See the press release from 14 May, 2020 for more information regarding Lune and the transaction.

### **Capital contribution and subscription of new shares in Lune**

As described in the press release from 14 May 2020, Peptonic has undertaken to make a capital injection to Lune of in total 1.5 MEUR, corresponding to approx. 16.0 MSEK, by subscribing for in total 50 new shares in Lune. 25 shares (Tranche 1) have been subscribed for by Peptonic in connection with closing. The subscription price for the newly issued shares in Tranche 1 amounts to 0.75 MEUR, corresponding to approx. 8.0 MSEK. The remaining 25 shares (Tranche 2) shall be subscribed and paid for no later than 28 February 2021.

### **Share issue to the Sellers against payment in kind**

The board in Peptonic has today resolved, in accordance with the authorization from the annual general meeting 2019, on an issue of 12,228,133 new shares, the so-called Consideration Shares, to the Sellers against payment in kind, on the terms and conditions described in the press release from 14 May 2020. The reason for the share issue is to fulfill the Company's obligations under the share transfer agreement with the Sellers. Through the share issue, the share capital is increased with 1,222,813.30 SEK. The subscription price in the share issue is 1.567 SEK per share, which is equal to 115 percent of the volume weighted average price of Peptonic's share on Spotlight Stock Market during the period 29 April 2020 to 13 May 2020. Payment for the shares shall be made in kind through contribution of 60 existing shares in Lune. The non-cash consideration is estimated to be taken up in the Company's balance sheet to a total value of 19,158,175 SEK. 7,336,880 shares have been subscribed for by Heli Kurjanen and 4,891,253 shares have been subscribed for by Mika Kurjanen.

The Sellers have entered into lock up undertakings, which means that the Sellers undertake not to transfer, pledge or otherwise dispose of the Consideration Shares during a certain period of time on the terms and conditions described in the press release from 14 May 2020.

### **Directed share issue to Vidarstiftelsen and loan from Vidarstiftelsen**

The board has today resolved, in accordance with the authorization from the annual general meeting 2019, on a directed share issue of 4,787,037 new shares on the terms and conditions described in the press release from 14 May 2020. Through the share issue, the share capital of Peptonic is increased by 478,703.70 SEK and Peptonic receives a cash contribution of 7.5 MSEK. The reason for the deviation from the shareholders' preferential right is to secure time and cost-effective partial financing of the cash consideration to be paid by Peptonic for the newly issued shares in Lune. The subscription price in the directed share issue to Vidarstiftelsen shall be the same as the subscription price in the directed share issue to the Sellers as described above, i.e. 1.567 SEK per share. Payment for the shares has been made through cash payment. All issued shares have been subscribed for by Vidarstiftelsen.

Vidarstiftelsen is foundation with a mission to support the general public. The mission is to be fulfilled through grants given for e.g. scientific research, preparation of teaching and education, health care and hospital care, culture and environmental conservation. The income of the capital is to be used for the above mission.

As described in the press release from 14 May 2020, Vidarstiftelsen has further undertaken to provide a loan to Peptonic in the amount of 7.5 MSEK. The Company may in its sole discretion determine whether to take up the loan or not. If Peptonic takes up the loan, it may be converted to shares in Peptonic. The further terms and conditions for the potential loan and conversion are set out in the press release from 14 May 2020.

### **Dilution effects and costs**

Through the new share issues described above, the share capital increases with in total 1,701,517 SEK through the issue of in total 17,015,170 shares. The total number of shares outstanding in the Company after such share issues will amount to 155,143,476 shares. The share issues will thus result in a total dilution effect for existing shareholders of approx. 11 percent.

The costs for the share issue to the Sellers and the directed share issue to Vidarstiftelsen is expected to amount to approx. 50 TSEK. In addition, Peptonic has incurred cost of approx. 3 MSEK in legal, due diligence and analysis costs prior to the signing. These costs will be posted as acquisition costs.

**For more information, please contact;**

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*This information is information that Peptonic Medical AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 3rd June, 2020.*

**About Peptonic Medical**

Peptonic Medical is an innovative Swedish medical development company. Its vision is to offer safe and effective treatments and relief for women specific diseases and medical conditions, and products that contribute to increased sustainability and better quality of life.

VagiVital® is a registered trademark of Peptonic Medical. The product is hormone free and is being commercialised for the non-prescription use for the treatment of vaginal atrophy (VA) and vaginal dryness. The pipeline of Peptonic Medical also includes Vagitocin®, which is an oxytocin-based vaginal gel for the treatment of VA. This product candidate is in clinical development phase 2. The development of Vagitocin® is on hold pending additional data on i.a. the mechanism of action.

Since July 2014, the Peptonic Medical share has been traded on the Spotlight Stock Exchange ([www.spotlightstockmarket.com](http://www.spotlightstockmarket.com), ticker: PMED) in Stockholm, Sweden.

For more information: [www.peptonicmedical.com](http://www.peptonicmedical.com)