

The board of Pharmacolog resolves, subject to the approval of an extraordinary general meeting on a rights issue of units of approximately SEK 27.3 million

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Pharmacolog i Uppsala AB (publ) ("Pharmacolog" or the "Company") announces that the board today, subject to approval from the extraordinary general meeting on 16 June 2023, has decided to carry out an issue of units consisting of shares of series B and warrants with preferential rights for existing shareholders of approximately SEK 27.3 million (the "Rights Issue"). The rights issue is subject to 60 percent of subscription commitments and underwriting commitments. Notice to the extraordinary general meeting is published through a separate press release. The Rights Issue presupposes a reduction of the share capital and changes to the articles of association, which are also proposed to be resolved at the extraordinary general meeting.

Summary

- In case of full subscription in the Rights Issue, Pharmacolog will receive approximately SEK 27.3 million before issue costs.
- The Rights Issue is covered to approximately 16 percent of subscription commitments and to approximately 44 percent of underwriting commitments. The Rights Issue is thus covered to approximately 60 percent of subscription commitments and underwriting commitments.
- Anyone who is registered as a shareholder in Pharmacolog in the shareholder registry on the record date 20 June 2023, receives one (1) unit right for each share owned in the Company. One (1) unit right give the holder the right to subscribe for one (1) unit. One (1) unit consists of four (4) shares of series B and four (4) warrants of series TO3. The subscription price per unit amounts to 1.40 SEK, corresponding to 0.35 SEK per share. The warrants are issued free of charge.
- The subscription period for the Rights Issue will run from and including 26 June 2023 to and including 10 July 2023.
- In the event that all warrants of series TO3 are exercised, the Company will receive an additional maximum of approximately SEK 40.9 million, given full subscription in the Rights Issue, before issue costs.
- The Rights Issue is conditional upon approval at an extraordinary general meeting. Furthermore, the Rights Issue is conditional upon the extraordinary general meeting deciding on a reduction of the share capital, to be carried out in two separate steps, and approving an amendment to the articles of association.

Background and motive in summary

Pharmacolog updates its strategy to facilitate commercial development. To increase sales, Pharmacolog will focus on selling higher volumes of instruments at a lower initial cost combined with a SaaS model for the Company's analysis software. The update will generate stable recurring revenue for Pharmacolog and result in faster sales processes thanks to a lower initial investment for the Company's customers. In order to implement the strategy update with the aim of further accelerating the Company's commercial development, the Company is carrying out the Rights Issue.

The net proceeds from the Rights Issue are intended to be allocated to the following areas of use:

- Marketing and sales activities
- Adaptation and improvement of the products
- Working capital

The net proceeds from the exercise of the warrants of series TO3 is primarily intended to be used for expanded geographical presence in additional key markets where the Company intends to enter new partner collaborations.

Terms for the Rights Issue

Pharmacolog's board has, subject to approval from the extraordinary general meeting on 16 June 2023, decided on the Rights Issue, in accordance with the following main terms:

- For each share owned as of the record date on 21 June 2023, the holder receives one (1) unit right. One (1) unit right give the right to subscribe for one (1) unit. One (1) unit consists of four (4) shares of series B and four (4) warrants of series TO3. The subscription price per unit amounts to SEK 1.40, corresponding to SEK 0.35 per share. The warrants are issued free of charge.
- The Rights Issue involves an issue of a maximum of 19,474,682 units, corresponding to 77,898,728 shares and 77,898,728 warrants of series TO3.
- In the event of full subscription in the Rights Issue, the Company receives issue proceeds of approximately SEK 27.3 million, before issue costs.
- The subscription period for the Rights Issue will run from and including 26 June 2023 to and including 10 July 2023.

Terms for the warrants of series TO3

- Each warrant of series TO3 gives the right to subscribe for one (1) new share of series B in the Company. The subscription price for the subscription of shares through the exercise of warrants of series TO3 amounts to 70 percent of the volume-weighted average price for the Company's share during the period from and including 25 January 2024 to and including 7 February 2024, however the lowest the share's quota value and the highest SEK 0.53.
- The warrants can be used to subscribe for new shares during the period from and including 9 February 2024 to and including 23 February 2024.
- In the event of full subscription in the Rights Issue and the exercise of all warrants of series TO3 within the framework of offered units, the Company may receive an additional maximum of approximately SEK 40.9 million.
- The warrants are intended to be admitted to trading after final registration with the Swedish Companies Registration Office.

Number of shares, share capital, and reduction of the share capital and the quota value of the shares

As part of the proposed Rights Issue, the board of directors will propose that the extraordinary general meeting resolves to reduce the Company's share capital without cancellation of shares for allocation to non-restricted equity. In order for the Rights Issue not to cause the Company's share capital or restricted equity to become disproportionately high, the board of directors of the Company will also propose that the general meeting resolves on the reduction of share capital in two steps. The second reduction of the share capital corresponds to the part of the share capital that, after the Rights Issue, exceeds the current share capital, with relevant adjustments to achieve an appropriate quota value.

Thus, in the first step, the Company's share capital is proposed to be reduced, in order for the quota value of the shares to amount to SEK 0.33, by an amount of SEK 5,258,164.14, for allocation to non-restricted equity and without cancellation of own shares, to SEK 6,426,645.06. In the second step, a further reduction is proposed, resulting in the Company's share capital being reduced by the amount exceeding the current amount of the share capital to reach a share capital of SEK 11,684,809.20.

Through the Rights Issue, the share capital may increase by a minimum of SEK 5,258,164.56 and by a maximum of SEK 25,706,580.24, with a quote value of SEK 0.33, from SEK 6,426,645.06 to a minimum of SEK 11,684,809.62 and to a maximum of 32,133,225.30 SEK. The number of shares may increase by a maximum of 77,898,728 from 19,474,682 shares to a maximum of 97,373,410 shares. Through the second reduction of the share capital, the share capital will be reduced by a maximum of SEK 20,448,416.10 from a maximum of SEK 32,133,225.30 to SEK 11,684,809.20.

Upon full subscription in the Rights Issue and upon full exercise of the warrants of series TO3, the number of shares will amount to 175,272,138. The total amount by which the share capital will increase, and what the total share capital will amount to, depends on whether - and to what extent - the above-mentioned reduction of the share capital has been implemented.

Shareholders in the Company who do not subscribe for units in the Rights Issue will experience a dilution of their shareholding. A fully subscribed Rights Issue entails a dilution corresponding to approximately 80.00 per cent and, upon full exercise of warrants of series TO3, an additional approximately 44.44 per cent.

Subscription commitments and underwriting commitments

The Rights Issue is covered to approximately 16 percent by subscription commitments and in addition, underwriters have undertaken to guarantee up to 60 percent of the Rights Issue. The underwriting commitments may only be called upon in case the Rights Issue is not subscribed to more than 60 percent by shareholders or others without preferential right. Entered subscription commitments and underwriting commitments are not secured via bank guarantee, pledging or similar arrangements. Subscription commitments have been submitted by existing shareholders, as well as members of the board of the Company. The underwriting commitments have been provided by existing shareholders and external investors. Underwriting compensation is paid as either fifteen (15) percent of the guaranteed amount in cash compensation or twenty (20) percent of the guaranteed amount in the form of units. The respective party that has provided an underwriting has the right to choose whether the underwriting compensation shall be paid in cash or in the form of units at a settlement price that corresponds to the subscription price in the Rights Issue. No compensation is paid for the entered subscription commitments.

If the subscription commitments are not fulfilled by at least fifty percent within one week from the last day of the subscription period, and provided that the respective guarantor itself has fulfilled its subscription commitment (as applicable), each guarantor is not bound to fulfil its commitments under the underwriting commitment. In such case, fifty percent of the guarantee compensation shall be paid to the guarantor.

EU growth prospectus

An EU growth prospectus will be made available before the start of the subscription period on the Company's website, www.pharmacolog.com

Indicative timetable for the Rights Issue

19 June 2023	Last trading day in Pharmacolog's shares including the right to receive unit rights
20 June 2023	First trading day in Pharmacolog's shares excluding the right to receive unit rights
21 June 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
21 June 2023	Estimated date for publication of the EU growth prospectus
26 June 2023 – 10 July 2023	Subscription period for the Rights Issue
26 June 2023 – 5 July 2023	Trading in unit rights (UR) on Nasdaq First North Growth Market
26 June 2023 – week 29, 2023	Trading in paid subscribed units (BTU) on Nasdaq First North Growth Market

Advisers

Mangold Fondkommission AB is financial adviser to Pharmacolog in connection with the Rights Issue. Eversheds Sutherland Advokatbyrå AB is legal adviser to the Company in connection with the Rights Issue.

This disclosure contains information that Pharmacolog is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 14-05-2023 22:09 CET.

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About Pharmacolog

Pharmacolog provides solutions and products that enhance work efficiency and safety when preparing injectable medication. Our goal is to help prevent medication errors and ensure maximum medication efficacy when treating patients with powerful yet potentially harmful injectable drugs. Pharmacolog's products help staff at pharmacies and hospital wards minimize the risk of errors in the compounding process. Furthermore, by verifying that drugs and narcotics used in surgery have not been tampered with, our solutions also make a vital contribution to preventing drug diversion.

The following trademarks are owned and protected by Pharmacolog i Uppsala AB: Pharmacolog™-logo, [DrugLog™](#), [WasteLog™](#), [PrepLog™](#) and [Pharmacolog Dashboard™](#).

Further information regarding the company is available at <http://pharmacolog.com/>.

The company's Certified Adviser is Mangold Fondkommission AB.

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