

PRESS RELEASE

IDOGEN AB



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Idogen carries out a fully guaranteed rights issue of units of approximately SEK 50.4 million and brings forward the announcement of the year-end report for 2021

The board of directors of Idogen AB ("Idogen" or the "Company") has today, December 17, 2021, subject to approval by the extraordinary general meeting on January 20, 2022, resolved to carry out an issue of units, consisting of shares and warrants, with preferential rights for the Company's existing shareholders (the "Rights Issue"). The Rights Issue mainly intends to finance the clinical study for Idogen's most advanced candidate IDO 8, as well as preparations for clinical studies for IDO T where the application for start of clinical studies is expected to be submitted by the end of 2023. The Company has received subscription undertakings of approximately SEK 2.9 million and guarantee undertakings of approximately SEK 47.5 million, corresponding to a total of 100 percent of the Rights Issue. Upon full subscription in the Rights Issue, Idogen will initially receive approximately SEK 50.4 million before issue costs and upon full exercise of all warrants, Idogen will receive additional proceeds of approximately SEK 42.0 million before issue costs. The Rights Issue is subject to approval by the extraordinary general meeting on January 20, 2022. Notice of the extraordinary general meeting is published in a separate press release. Due to the Rights Issue, the board of directors of Idogen has resolved to bring forward the publication of the year-end report for the financial year 2021 to January 19, 2022.

Comment from Idogen

"The Company has during the fall successfully completed optimization of the manufacturing process for its most advanced drug candidate IDO 8 for treatment of hemophilia patients who develop antibodies towards the vital coagulation factor VIII treatment. We now look forward towards taking the project further and will shortly submit for approval to start clinical trials at the Swedish Medical Products Agency. We are extremely grateful for the trust in us and this capital injection allows us to take the next steps in the Company's product development and into our phase I/IIa study, where we welcome existing shareholders on our continued interesting journey ahead", says the CEO of Idogen, Anders Karlsson.

Background and reason

Idogen is a Swedish biotechnology company that develops tolerogenic cell therapies with the aim of treating unwanted activation of the immune system. The term "tolerogen" comes from the fact that the immune system after treatment with Idogen's therapy is expected to be able to selectively tolerate a selected disease-causing or immune activating antigen. The Company conducts three development areas with a focus on treating patients with unwanted activation of the immune system. For the most advanced candidate, IDO 8, intended for patients with severe hemophilia and with antibodies against their treatment, the Company's intention is to submit an application for approval to start a clinical phase I/IIa study in December 2021. The Company's project portfolio also includes two other candidates, IDO T, which is intended to reduce organ rejection in connection with kidney transplantation, and IDO AID, which is aimed at severe rare autoimmune diseases where the immune system attacks its own tissue.

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In 2021, Idogen has focused on completing the remaining preclinical preparations prior to the start of clinical studies for IDO 8. The Company's intention is to submit an application to begin clinical studies in December 2021 and the Company is expected to begin clinical studies during the second quarter of 2022. The study is so called "clinical proof of concept", i.e. a study to verify the Company's technology and safety profile. The clinical phase I/IIa study for IDO 8 is intended to be based on hemophilia patients with severe hemophilia and the outcome of the study is expected at the end of 2023. During the past year, Idogen's patent portfolio has also been expanded, as another patent for IDO 8 and methods for treatment of antibodies has been granted. Furthermore, the Company has progressed with preclinical studies regarding IDO T and connected with reputable scientific advisors in transplantation.

The Rights Issue mainly intends to finance the clinical study for Idogen's most advanced candidate IDO 8, as well as preparations for a clinical study for IDO T, where the application for the start of clinical study is expected to be submitted by the end of 2023.

Upon full subscription in the Rights Issue, Idogen will initially receive approximately SEK 50.4 million before issue costs, which are estimated to amount to approximately SEK 9.4 million. The net proceeds from the Rights Issue of approximately SEK 41.0 million are intended to be used for the following areas of use, in order of priority:

- 55% – Start of clinical study of IDO 8 – approximately SEK 22.6 million.
- 20% – Preclinical development of IDO T – approximately SEK 8.2 million.
- 25% – Working capital for the business during the period – approximately SEK 10.2 million.

In the event that all warrants series TO 5 issued in the Rights Issue are exercised for subscription of shares, the Company will receive additional proceeds of a maximum of approximately SEK 42.0 million before issue costs, which are estimated to amount to approximately SEK 1.5 million. The additional net proceeds of approximately SEK 40.5 million are intended to be used for the following areas of use, in order of priority:

- 55% – Continuation of clinical study of IDO 8 – approximately SEK 22.3 million.
- 20% – Continued preclinical development of IDO T – approximately SEK 8.1 million.
- 25% – Working capital for the business during the period – approximately SEK 10.1 million.

Terms of the Rights Issue

Idogen's board of directors resolved on December 17, 2021, subject to approval by the extraordinary general meeting on January 20, 2022, to carry out the Rights Issue by issuing a maximum of 16 478 910 units. The right to subscribe for units shall accrue with preferential rights to those who on the record date on January 25, 2022, are registered as shareholders in the Company, whereby the holding of one (1) share entitles to five (5) unit rights and seven (7) unit rights entitle to subscription of one (1) unit consisting of three (3) shares and six (6) warrants series TO 5. In total, the Rights Issue comprises a maximum of 49 436 730 shares and a maximum of 98 873 460 warrants series TO 5. The subscription price amounts to SEK 3.06 per unit corresponding to a subscription price of SEK 1.02 per share, which means that Idogen initially will receive approximately SEK 50.4 million before issue costs upon full subscription in the Rights Issue and excluding the additional proceeds that may be added when exercising the warrants. The warrants are issued free of charge. Subscription of units with or without preferential rights shall take place during the period January 27 – February 10, 2022. Unit rights that are not exercised during the subscription period will become invalid and lose their value. Unit rights are expected to be traded on Nasdaq First North Growth Market during January 27 – February 7, 2022.

Three (3) warrants entitle the right to subscribe for one (1) new share in the Company at an exercise price corresponding to eighty (80) percent of the volume-weighted average price of the Company's share during the period from and including August 29, 2022 up to and including September 9, 2022, however, not less than SEK

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0.77 and not more than SEK 1.28 per share. This means that the additional proceeds that may be added upon exercise of the warrants may not exceed approximately SEK 42.0 million before issue costs. Subscription of shares by exercise of warrants takes place during the period September 15 – 29, 2022.

If not all units are subscribed for by exercise of unit rights, allotment of the remaining units shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of units without exercise of unit rights, have exercised for subscription of units; secondly, to those who have subscribed for units in the Rights Issue without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of units the subscriber in total has applied for subscription of; and thirdly, to those who have provided underwriting commitments with regard to subscription of units, in proportion to such underwriting commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Complete terms and conditions for the Rights Issue, as well as other information about the Company, will be presented in the EU Growth Prospectus that is expected to be published around January 20, 2022 (the "Prospectus").

Lock-up agreements

In connection with the Rights Issue, all board members and senior executives with shareholdings in Idogen have undertaken towards Vator Securities AB, subject to customary exceptions, not to sell or carry out other transactions with the same effect as a sale without, in each individual case, first having obtained a written approval from Vator Securities AB. The decision to give such written consent is decided by Vator Securities AB and an assessment is made in each individual case. Granted consent can depend on both individual and business reasons. The lock-up period lasts for 180 days from this day.

Subscription and guarantee undertakings

In connection with the Rights Issue, the Company has received subscription undertakings from the Company's board of directors and senior executives who own shares in the Company, for a total of approximately SEK 1.1 million, corresponding to approximately 2 percent of the Rights Issue. In addition, the Company has received subscription undertakings from external and existing investors of in total SEK 1.9 million, corresponding to approximately 4 percent of the Rights Issue. No compensation is paid for provided subscription undertakings. The Company has also entered into agreements with a number of external investors for issue guarantees amounting to SEK 47.5 million, corresponding to approximately 94 percent of the Rights Issue. The external guarantee undertakings includes approximately SEK 10 million (corresponding to approximately 20 percent of the Rights Issue) from Jinderman & Partners AB (www.jinderman.se). In total, the Rights Issue is thus covered by subscription and guarantee undertakings amounting to approximately SEK 50.4 million, corresponding to 100 percent of the Rights Issue. According to the guarantee agreements, cash compensation of 10 percent of the guaranteed amount, corresponding to a total of approximately SEK 4.7 million, is paid for the guaranteed amount, or alternatively 12 percent of the guaranteed amount in the form of newly issued units in the Company, on the same terms as the units in the Rights Issue, including that the subscription price for any units issued to issue guarantors shall amount to SEK 3.06 per unit corresponding to a subscription price of SEK 1.02 per share.

In order to enable new issue of units as guarantee compensation to the issue guarantors who choose to receive guarantee compensation in the form of newly issued units, the board of directors has proposed that the extraordinary general meeting on January 20, 2022, which i.a. is proposed to resolve on approval of the Rights Issue, also resolves on authorization for the board of directors to resolve on new issues of such units to issue guarantors.

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Preliminary timeline for the Rights Issue

January 20, 2022	Extraordinary general meeting.
January 21, 2022	Last day of trading including the right to receive unit rights.
January 24, 2022	Last day of trading excluding the right to receive unit rights.
January 25, 2022	Record date for participation in the Rights Issue.
January 27 – February 7, 2022	Trading in unit rights on Nasdaq First North Growth Market.
January 27 – February 10, 2022	Subscription period.
On or about February 14, 2022	Announcement of outcome in the Rights Issue.

Extraordinary general meeting

The board of directors' resolution on the Rights Issue is subject to approval by the extraordinary general meeting on January 20, 2022, and the resolution on the Rights Issue presupposes and is conditional upon the limits for share capital and number of shares in the articles of association being changed in accordance with the board of directors' proposal to the extraordinary general meeting. Notice of the extraordinary general meeting will be announced in a separate press release.

Change of share capital and number of shares and dilution

Through the Rights Issue, the number of shares in Idogen will increase by a maximum of 49,436,730 shares, from 23,070,475 shares to 72,507,205 shares and the share capital will increase by a maximum of SEK 34,605,711.00, from SEK 16,149,332.50 to SEK 50,755,043.50. For existing shareholders who do not participate in the Rights Issue this means, upon full subscription, a dilution effect of approximately 68.18 percent of the votes and capital in the Company.

In the event that all warrants series TO 5 are fully exercised for subscription of new shares in the Company, the number of shares will increase by an additional 32,957,820 to a total of 105,465,025 shares and the share capital will increase by an additional SEK 23,070,474.00 to SEK 73,825,517.50. This corresponds to a dilution effect from the warrants of an additional maximum of approximately 31.25 percent. The total dilution effect in the event that both the Rights Issue and the warrants are fully subscribed thus amounts to approximately 78.12 percent.

Bringing forward of year-end report for 2021

Due to the Rights Issue, the board of directors of Idogen has resolved to bring forward the publication of the year-end report for the financial year 2021 to January 19, 2022 instead of February 8, 2022 as previously communicated.

Advisers

Vator Securities AB acts as financial advisor and Setterwalls Advokatbyrå AB acts as legal adviser to Idogen in connection with the Rights Issue.

For further information, please contact:

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This information is such information as Idogen 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 08:21 CET on December 17, 2021.

Certified Adviser

The Company's Certified Adviser is Erik Penser Bank AB. Contact information: Erik Penser Bank AB, Box 7405, SE-103 91 Stockholm, phone: +46 (0) 8-463 80 00, email: certifiedadviser@penser.se.

Idogen (Nasdaq First Growth Market: IDOGEN) develops tolerogenic cell therapies to prevent the patient's immune system from attacking biological agents, transplanted organs or the body's own cells or tissue. The company's most advanced project, IDO 8, is designed to restore the efficacy of hemophilia drugs in patients who have developed neutralizing antibodies. The company's second project, IDO T, is being developed to prevent kidney transplant rejection. In a third programme, IDO AID, Idogen is focused on the treatment of autoimmune diseases. The treatment for all indications is based on the patient's own cells and is expected to have a favorable safety profile and long-lasting effect. The potential for a short-term treatment intervention to yield a long-term effect is a major advantage in health economics for both patients and divisions providing care. More information about Idogen is available via www.idogen.com.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, warrants or other securities in Idogen. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for units in Idogen will only be made through the Prospectus that Idogen estimates to publish on January 20, 2022 on Idogen's website www.idogen.com. The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares, warrants or any other securities. This release is however not a prospectus in accordance to the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and 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 shares, warrants or other securities in Idogen. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares, warrants or other securities in Idogen have been registered, and no shares, warrants or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

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which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

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This press release may contain forward-looking statements which reflect the Company’s current view on future events and financial and operational development. Words such as “*intend*”, “*expect*”, “*anticipate*”, “*may*”, “*believe*”, “*plan*”, “*estimate*” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.