
ExpreS²ion conducts a directed share issue to accelerate the development of the company

ExpreS²ion Biotech Holding AB (“ExpreS²ion”) today announces that the Company is conducting a directed share issue to a number of existing shareholders and strategic investors of initially approx. SEK 8 million, with attached consideration-free warrants, which in later stages can provide the Company with a further approx. SEK 9.6 million. The directed share issue is conducted in order to finance an accelerated pace of operations and increased investments in the business to ensure long-term good development. The motive to deviate from the shareholders' preferential rights is that considers it beneficial for the Company and the shareholders to strengthen the owner base partly by broadening the base of major shareholders, and partly by enabling share ownership for new strategic investors with special interest in the Company, and to avail of the opportunity to add new working capital to conditions attractive to the Company (especially the time and cost aspect of the implementation of the capitalisation). Through the directed share issue, the Company is supplied with working capital in order to work towards set goals, in a cost and time-efficient manner and thereby strengthen the Company's financial position. The above aspects as well as the prevailing market conditions have resulted in the conclusion that, according to the Board's opinion, there have been predominant reasons for deviating from the shareholders' preferential rights to the benefit of the Company and the shareholders in the long term. The directed share issue is subject to approval by an Extraordinary General Meeting, which is planned to be held on March 19, 2019. Notice to Extraordinary General Meeting is scheduled to be published shortly.

CEO Dr. Steen Klysner comments

“After completing the investments in the platform, our main focus is now on marketing, where we expect our work to lead to a significant increase in revenue for the core business in 2019. Furthermore, our updated platform, with the synergies of AdaptVac's VLP technology, positions us more strongly in favour of setting up new partnerships, improving our development capacity for new drug and vaccine assets and also to create new joint ventures with additional value added. In order for us to realise our potential and create additional value for our shareholders, we are now conducting this directed share issue in order to consolidate our CRO business, take a greater control over the projects we are active in, and also enable us to establish new joint ventures.”

Motive for the directed share issue

ExpreS²ion has a need for an accelerated pace of operations and increased investments in the business to ensure long-term good development. Areas that, in particular, according to the Board, need expanded investments include continuous development of the Company's technology platform to ensure that it remains attractive and relevant to the pharmaceutical and vaccine development industry. In addition, continued investments are needed in the Company's commercialisation activities to ensure that the Company's scope for new potential customers and partners is not limited. Based on the above analysis, the Board has established three main focus areas for ExpreS²ion's way forward: further development of the CRO part of ExpreS²ion's core business, increased investments in the Company's pipeline and a possible establishment of one or more new joint ventures. These also constitute the basis for the use of the capital that is acquired through the current directed issue. The Board's long-term goal for the Company's development is to develop ExpreS²ion from providing services in the biotechnology sector, to becoming a growing and independent pharmaceutical company with proprietary and leading technologies for drug and vaccine development.

More information about the directed share issue and motive to deviate from preferential rights

The directed share issue comprises a total of approx. SEK 17.6 million, of which approx. SEK 8 million is the initial directed new share issue and approx. SEK 9.6 million relates to capital, which the company can be supplied through the exercise of the attached consideration-free warrants issued in connection with the directed issue of shares. A total of 1,600,000 units, each consisting of one (1) share and one (1) attached consideration-free warrant, are issued at a price of SEK 5.00 per unit. This price has been based on ExpreS²ion's volume-weighted average price (VWAP) during the 20 trading days ending two days before the decision on the directed new issue, with a percentage discount of about 5 percent.

After the initial issue has been registered, the number of shares in ExpreS²ion increases by 1,600,000, from 12,002,015 to 13,602,015. As a result, the Company's share capital is increased by SEK 177,777.777778, from SEK 1,333,557.222223 to SEK 1,511,335.00. The dilution for the Company's existing owners will be approximately 11.8 percent as a result of the initial issue.

In addition, as described above, an additional 1,600,000 attached consideration-free warrants of series TO 3 are issued. Each warrant entitles the holder to subscribe for one (1) new share at a price of SEK 6.00 per share. The warrants have a conversion option once every two months for a period of 12 months.

The existing owners that have subscribed for units in the directed share issue are Peter Nilsson, John Andersson Moll, Kjell Nilsson, Stefan Lundgren, Ejendommene Norgesvej 2 ApS and Konservergaarden A/S.

New investors that have subscribed for units are Oliver Molse, Modelio Equity AB (publ), Gerhard Dal and Rolf R. Kuhnke.

The reason for the Board's proposal to deviate from some of the shareholders' preferential rights is that the Board of Directors considers it beneficial for the company and the shareholders to strengthen the owner base partly by broadening the base of major shareholders, and partly by enabling share ownership for new strategic investors with special interest in the company, and to avail of the opportunity to add new working capital to conditions attractive to the company (especially the time and cost aspect of the implementation of the capitalization). Through the directed share issue, the company is supplied with working capital in order to work towards set goals, in a cost and time-efficient manner and thereby strengthen the company's financial position. The above aspects as well as the prevailing market conditions have resulted in the conclusion that, according to the Board's opinion, there have been predominant reasons for deviating from the shareholders' preferential rights to the benefit of the company and the shareholders in the long term.

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This press release contains information that ExpreS²ion is obligated 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 February 28, 2019.

About ExpreS²ion

ExpreS²ion Biotechnologies ApS is a fully owned Danish subsidiary of ExpreS²ion Biotech Holding AB with company register number 559033-3729. The subsidiary has developed a unique proprietary platform technology, ExpreS², that can be used for fast and efficient preclinical and clinical development as well as robust production of complex proteins for new vaccines and diagnostics. Since the Company was founded in 2010, it has produced more than 300 proteins and 40 virus-like particles (VLPs) in collaboration with leading research institutions and companies, demonstrating superior efficiency and success rates. In addition, ExpreS²ion develops novel VLP based vaccines through the joint venture AdaptVac ApS which was founded in 2017.