

Lipidor AB (publ) formalizes relationship with subsidiary Emollivet AB through license agreement and proposes financing of subsidiary

Lipidor AB ("**Lipidor**" or the "**Company**") and its subsidiary Emollivet AB ("**Emollivet**") have formalized the relationship by entering into a licence agreement that regulates the right to Lipidor's patented AKVANO® technology. On June 30, Emollivet's Extraordinary General Meeting resolved on a directed new share issue of SEK 4 million, conditional on the approval of Lipidor's Extraordinary General Meeting. Emollivet also intends to recruit a CEO, and Emollivet's EGM has decided to issue warrants in Emollivet to this person, subject to the approval of Lipidor's EGM. Notice of the Extraordinary General Meeting of Lipidor will be published shortly.

Emollivet was formed in June 2019 as a subsidiary of Lipidor, with the aim of commercializing animal care products in a separate company. Emollivet and Lipidor have now formalized the relationship between the companies by entering into a license agreement under which Emollivet obtains a licence to use Lipidor's patents on the AKVANO technology. The licence is exclusive for animal care products, worldwide and is valid for the longest of either the patent's validity or 10 years. Lipidor receives a one-digit royalty linked to the net sales of the products sold under the licence. The agreement also contains requirements for certain minimum levels of sales during the term.

Emollivet has developed, based on AKVANO and in collaboration with SLU, a product series for the treatment of various skin afflictions that are common in animals. The products have been introduced on a small scale for a limited number of players in the veterinary industry. In order to succeed with a broader launch, international expansion and to be able to establish a position from which to enter commercial partnerships, capital and dedicated staff are required, which is outside Lipidor's budget and core business. The Extraordinary General Meeting of Emollivet has therefore decided to carry out a directed new share issue to finance the further commercialization. The new share issue is expected to generate SEK 4 million to Emollivet.

Lipidor's Board of Directors considers that a directed new share issue in Emollivet offers an attractive opportunity to effectively finance accelerated development and commercialization of Emollivet. The group of investors includes Lipidor, its board members, existing shareholders and others related to the Company. Lipidor intends to subscribe to a sufficiently large part of the new share issue to ensure that Emollivet remains a subsidiary of the Company. There is also a stated ambition of both Emollivet's and Lipidor's boards to work for Emollivet to be spun-out and listed on a general marketplace. The decision is conditional on the approval of Lipidor's EGM. More information about the rights issue will be presented in the notice of the Extraordinary General Meeting of Lipidor.

Emollivet also intends shortly to recruit a CEO for the purpose of focusing on commercialization of its animal care products. Emollivet has therefore also decided to

issue warrants in Emollivet to this person, subject to the approval of Lipidor's EGM. More information will be presented in the notice of the Extraordinary General Meeting of Lipidor.

This is a translation of the Swedish version. In case of discrepancies the Swedish version shall prevail.

Information

This information above was provided by Lipidor according to EU Market Abuse Regulations. The information was provided, through the below contact person, for publication on 30 June 2020 at 10.20pm.

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About Lipidor

Lipidor AB (www.lipidor.se) is a Swedish, Stockholm-based research and development company with a pipeline of pharmaceutical development projects in preclinical and clinical phases. The Company develops topical medical products for the treatment of diseases such as psoriasis, bacterial skin infections and atopic dermatitis by reformulation of proven pharmaceutical substances.