

Carbiotix AB decides on preferential issue of units in order to, among other things, complete the GRAS SA process and accelerate sales activities. Company brings forward publication of the Q1-report

The board of Carbiotix AB ("Carbiotix" or the "Company") has today, 27 April 2023, with the support of an authorization from the annual general meeting, decided to carry out an issue of units consisting of shares and free warrants of series TO 2 ("TO 2"), with preferential rights for the Company's existing shareholders. The issue volume initially amounts to a maximum of approximately SEK 12 million before transaction costs (the "Rights Issue"). Upon full subscription of the Rights Issue and full utilization of issued TO 2 at the highest subscription price, the Company may receive an additional approximately SEK 15 million before transaction costs. The rights issue is secured in writing by members of the board, management and external investors to a total of 100 percent (corresponding to approximately SEK 12 million) through subscription and guarantee commitments (bottom and free-of-charge top guarantee). A prospectus, containing a more detailed description of the offer and the business, will be published at the latest when the subscription period for the Rights Issue begins. Publication of the Company's Q1-report has also been brought forward and the report will be published during the day today, April 27, 2023.

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Kristofer Cook, CEO, comments

"As we have previously announced, we are in the GRAS SA process, which when it is finished will mean that we can commercialize CarbiAXOS on the American market. We have also seen increasing interest in our LinkGut service and look forward to further expanding our partner network in the future. To be able to execute on the plans we have and the steps we want to take forward with, among other things, scaling up production, selling CarbiAXOS and expanding the LinkGut network, we need capital and I am happy that we have the confidence of the investors who participated in the upcoming capitalization in full. My hope is that existing owners and the public will want to join the journey by participating in the issue."

Motive and use of proceeds

Carbiotix is well on its way to going from a development company to a commercial company, and to finance this development, Carbiotix is implementing the Rights Issue, which, if fully subscribed, will bring the Company a maximum of approximately SEK 12 million before transaction costs. Upon full subscription of the Rights Issue and full utilization of TO 2 at the highest exercise price, the Company may receive an additional maximum of approximately SEK 15 million before transaction costs. The transaction costs for the Rights Issue are estimated to amount to a maximum of approximately SEK 2.7 million (of which approximately SEK 1.1 million refers to cash guarantee compensation).



The purpose of the Rights Issue and TO 2 is to finance, among other things, the completion of the GRAS SA process for CarbiAXOS, the completion of regulatory requirements to sell CarbiAXOS as a cosmetic ingredient globally and the scale-up of production of CarbiAXOS, as well as the submission of a Novel Foods application allowing sales of CarbiAXOS in Europe as a dietary supplement ingredient. In addition, the loan taken out in April 2023 will be repaid using the issue proceeds. It is the Board's assessment that the net proceeds from the Rights Issue and full use of warrants of series TO 2 are sufficient to finance the Company's ongoing operations and plans through the fourth quarter of 2024.

Objectives

Below is a selection of the Company's goals for the years 2023-2025.

2023

- Upgrading the production facility in Bjuv to enable the production of CarbiAXOS for advanced dietary supplement and cosmetic applications.
- Increasing the production of samples from Bjuv for various internal and external safety, efficacy and validation tests for dietary supplement and cosmetic applications.
- Completion of the GRAS SA process for CarbiAXOS from corn fibre to enable customer samples and orders to be fulfilled through Carbiotix contract manufacturing partners in the US.
- Completion of the regulatory requirements to sell CarbiAXOS as a cosmetic ingredient globally and scaling up the production of CarbiAXOS for this purpose in Bjuv.
- Submission of a Novel Foods application allowing the sale of CarbiAXOS in Europe as a dietary supplement ingredient.
- Completing the ongoing CarbiAXOS Metformin study for patients with type 2 diabetes and submitting an EU application for funding to expand this study to several hundred patients.
- Submission of the first patent application for CarbiAXOS as an advanced symbiotic product.

2024

- Expansion of sales of CarbiAXOS cosmetic ingredients globally and thus production at the plant in Bjuv to meet the growing demand.
- Continue to grow sales of CarbiAXOS for dietary supplement applications in the US through the US contract manufacturing partner via direct sales, trade shows and appropriate distribution networks/partners.
- Completion of validation tests of CarbiAXOS based on recycled oat and pea fibres, and implementation of the GRAS SA process for at least one of these fibres.
- Initiation of an extended CarbiAXOS Metformin study.

2025

- Completion of the Novel Foods process for CarbiAXOS based on corn fibres and start of sales of CarbiAXOS for dietary supplement applications within the EU.
- Identify a European contract manufacturing partner to support a faster scale-up, as well as expand the production facility in Bjuv to meet growing demand for sales of both cosmetic and dietary supplement ingredients.
- Continue to grow sales of CarbiAXOS for dietary supplement applications in the US and evaluate the need for a Carbiotix manufacturing facility in the US.
- Completion of the extended CarbiAXOS Metformin study and secure at least one co-treatment partner and continued studies in other indication areas.

Terms for the Rights Issue

The board has today, with the support by an authorization from the 2022 annual general meeting, decided on an issue of a maximum of 1,595,094 units, consisting of 6,380,376 shares and 3,190,188 warrants of series TO 2. Carbiotix' existing shareholders have preferential



rights to subscribe for units in proportion to their existing shareholdings. The public also has the right to subscribe for units in the Rights Issue.

One (1) existing share in the Company on the record date of May 15, 2023, entitles to one (1) unit right. Nine (9) unit rights give the holder the right to subscribe for one (1) unit in Carbiotix. Each unit consists of four (4) shares and two (2) warrants of series TO 2. The subscription price in the Rights Issue has been set at SEK 7.52 per unit, which corresponds to SEK 1.88 per share. Subscription options of series TO 2 are issued free of charge.

Subscription of units must take place during the subscription period that runs from and including 17 May 2023 to and including 2 June 2023. Unit rights that are not used during the subscription period become invalid and lose their value. Trading in unit rights is expected to take place on the Spotlight Stock Market from and including 17 May 2023 to and including 30 May 2023. Trading in BTU (Paid Subscription Unit) is expected to take place during the period from and including 17 May 2023 until the issue registered with the Swedish Companies Registration Office.

The rights issue will increase the share capital by a maximum of SEK 638,037.60, from SEK 1,435,585.30 to SEK 2,073,622.90 and the total number of shares will increase by a maximum of 6,380,376 shares, from 14,355,853 shares to 20,736 229 shares. Existing shareholders who choose not to participate in the Rights Issue will be recognized with a dilution effect corresponding to approximately 30.8 percent, calculated on the number of shares in the Company after the Rights Issue has been fully subscribed. Shareholders who choose not to participate in the Rights Issue have the opportunity to partially compensate themselves for the financial dilution effect by selling their unit rights no later than May 30, 2023.

Terms for warrants of series TO 2

One (1) TO 2 entitles the holder to subscribe for one (1) new share in Carbiotix during the period from and including October 12, 2023, to and including October 26, 2023. The exercise price for TO 2 shall amount to seventy (70) percent of the average volume-weighted price of the share according to the official price statistics of the Spotlight Stock Market during a period of twenty (20) trading days ending two (2) banking days before the start of the exercise period and the exercise price will be determined within the range of SEK 1.50-4.70 per new share. The exercise price must be rounded to the nearest whole öre. The Company will announce the exercise price the day before the first day of the usage period. Upon full subscription of the Rights Issue and full utilization of TO 2 issued thereby at the highest exercise price, the Company may receive a maximum of approximately SEK 15 million before transaction costs, which are estimated to amount to a maximum of approximately SEK 1 million.

Through TO 2, the share capital can increase by a maximum of SEK 319,018.80. Provided that the Rights Issue is fully subscribed and that TO 2 is fully utilized, TO 2 will result in a dilution of approximately 13.3 percent. TO 2 is planned to be admitted to trading on the Spotlight Stock Market as soon as possible after final registration with the Swedish Companies Registration Office. The last day of trading in TO 2 is expected to be October 24, 2023.

Pre-subscription- and guarantee commitments

The Rights Issue is secured in writing by members of the board, management and external investors to a total of 100 percent (corresponding to approximately SEK 12 million) through subscription and guarantee commitments (bottom and free top guarantee). Subscription commitments amount to approximately SEK 1.5 million, which corresponds to approximately 12.5 percent of the Rights Issue. Guarantee commitments amount to a total of approximately SEK 10.5 million, corresponding to approximately 87.5 percent of the rights issue. Of the guarantee, approximately SEK 9.3 million is a bottom guarantee from external investors and approximately SEK 1.2 million is a free top guarantee from CEO Kristofer Cook's wholly owned company Sustainable Holding Sweden AB.



For the bottom guarantee commitment, guarantee compensation of 12 percent of the guaranteed amount is paid in the form of cash compensation. No compensation is paid for the subscription commitments that have been submitted, or for the top guarantee.

Subscription and guarantee commitments are not secured by bank guarantee, blocking funds, pledging or similar arrangements.

Lock up

The board and management have together, through so-called lock up agreements, with Sedermera Corporate Finance AB as counterparty, committed, with customary exceptions, that 100 percent of existing shareholdings or such shareholdings that are added through subscription in the Rights Issue may not be divested during a period which extends up to and including the completion of the utilization period for TO 2.

Time plan for the Rights Issue

- Last day for trading in shares, including the right to receive unit rights: May 11, 2023.
- First trading day excluding the right to receive unit rights: 12 May 2023.
- Record date for participation in the Rights Issue: 15 May 2023.
- Subscription period: 17 May – 2 June 2023.
- Trading in unit rights: 17 – 30 May 2023.
- Trading in BTU: from 17 May 2023 until the Rights Issue has been registered with the Swedish Companies Registration Office. The last day for trading in BTU will be announced through a separate press release after the rights issue has been completed.
- Notification of the outcome of the Rights Issue: around 7 June 2023.

Prospectus, teaser and the possibility to subscribe for units

Prospectus and teaser about the Rights Issue will be made available via the Company's (www.carbiotix.com), Sedermera Corporate Finance AB's (www.sedermera.se) and Nordic Issuing AB's (www.nordic-issuing.se) websites no later than when the subscription period begins. Via Nordic Issuing AB's website, it will also be possible to subscribe for units.

Outstanding warrants of series TO 1

In connection with the Company's rights issue of units in 2022, in addition to shares, 2,022,853 warrants of series TO 1 were issued. The warrants have an exercise period from and including June 28, 2023 to and including July 19, 2023. In light of the now decided Rights Issue, the conditions for warrants of series TO 1 to be subject to recalculation after the Rights Issue is implemented.

Publication of interim report

Publication of the Company's Q1-report (the period January-March 2023) has been brought forward and will be published during the day today, April 27, 2023.

Advisors

In connection with the Rights Issue, Carbiotix has engaged Sedermera Corporate Finance AB as financial advisor, Markets & Corporate Law Nordic AB as legal advisor and Nordic Issuing AB as issuing agent.

For more information

Kristofer Cook, CEO

Tel: 0046 708-796580

E-mail: kristofer.cook@carbiotix.com



This information is information that Carbiotix AB is obliged to make public according to the EU's Market Abuse Regulation (MAR). The information was submitted, through the contact person below, for publication on April 27, 2023.

Important information

This press release does not constitute an offer to acquire, subscribe or otherwise trade in shares, warrants, subscription rights, BTU or other securities in Carbiotix AB and investors should not subscribe or acquire any securities other than on the basis of the information in the prospectus which will be made public before the start of the subscription period in the Rights Issue on or about May 17, 2023. No action has been taken and no action will be taken to permit an offer to the public in any jurisdictions other than Sweden.

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This press release may contain certain forward-looking information that reflects the Company's current view of future events as well as financial and operational development. Words such as "intends", "estimates", "expects", "may", "plans", "believes", "estimates" and other expressions that imply indications or predictions of future developments or trends, and are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking information is not a guarantee of future performance or development, and actual outcomes may differ materially from what is stated in forward-looking information. Neither the Company nor anyone else undertakes to revise, update, confirm or publicly announce any revision of any forward-looking statement to reflect events occurring or circumstances occurring with respect to the contents of this press release, except as required by law or Spotlight's regulations.

Carbiotix AB (CRBX) (www.carbiotix.com) is an award-winning biotechnology company pioneering microbiome health through a portfolio of prebiotic modulators and diagnostic testing services.