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*This is an office translation. In case of any differences, the Swedish text shall prevail.*

## **Decision made concerning rights issue of convertible bonds**

**At the meeting of the Board of Directors in PharmaLundensis AB (publ) today, Thursday 4 April 2019, and with the support of the authorization of the Annual General Meeting held on 15 June 2018, it was resolved that the Company shall issue a convertible loan of nominally no more than SEK 4,732,500 through the issue of a maximum of 315,500 convertible bonds with preferential rights for existing shareholders. Each existing share in the Company on the record date of 11 April 2019 shall give entitlement to one subscription right, and 71 subscription rights shall give entitlement to subscription of a convertible bond at a subscription price of SEK 15. The subscription period is 15-30 April 2019. The loan shall have an annual interest rate of 13 percent from 15 May 2019 to 15 May 2025, and shall be paid in full after the due date. Thus 208.2% of the invested amount shall be repaid with interest on interest. The convertible bond will not be listed on any marketplace. At full subscription, PharmaLundensis will receive approximately SEK 4.73 million before issue costs. Issue costs are estimated to amount to approximately SEK 400,000.**

## **Reason for new share issue**

PharmaLundensis is working intensively to develop a new test substance that maintains IodoCarb's beneficial effect on lung function, coughing and mucus without releasing any iodine. New clinical studies will then be initiated on COPD and chronic bronchitis with the aim of registering an effective drug within 3 years.

The development of EcoFilter is nearing completion and it is time to sell the system to health care providers.

Both of these projects require funding, which is why the Company is now implementing a rights issue of convertible bonds.

## **Summary of the terms**

**Issue amount (maximum):** On full subscription of all convertible bonds, the company will raise SEK 4,732,500.

**Number of issued convertible bonds:** Maximum of 315,500 convertible bonds.

*PharmaLundensis affärsidé är att utveckla nya läkemedel mot lungsjukdomarna KOL och kronisk bronkit. Vidare utvecklar Bolaget EcoFilter som är ett system för att eliminera utsläpp av läkemedel och antibiotikaresistenta bakterier från sjukhusens avloppssystem.*

<b>Preferential rights:</b>	One (1) existing share in the Company gives entitlement to one (1) subscription right. Seventy-one (71) subscription rights give entitlement to subscribe for one (1) convertible bond.
<b>Record date:</b>	11 April 2019.
<b>Subscription price:</b>	SEK 15 per convertible bond.
<b>Brokerage:</b>	No brokerage fee is payable.
<b>Subscription period:</b>	15-30 April 2019.
<b>Subscription without preferential rights:</b>	Subscription without the support of subscription rights shall take place during the period 15-30 April 2019 and shall be in the form of batches of 200 convertible bonds for SEK 3,000. The notification must be made on the application form entitled "Subscription without the support of subscription rights".
<b>Number of shares in the Company:</b>	Currently 22,400,569 shares.
<b>Dilution effect:</b>	Maximum of approximately 1.39% on full conversion.
<b>Paid subscription units:</b>	After payment, investors will receive paid subscription units (Swedish "BTU") in their designated depots. These paid subscription units are converted into convertibles 5-7 days after registration of the issue with the Swedish Companies Registration Office.
<b>Share capital:</b>	Currently SEK 1,120,028. Can increase by SEK 15,775 on full conversion.
<b>Interest on convertible bond:</b>	The convertible bonds have an annual interest rate of 13% which shall be paid in its entirety at the end of May 2025. In total, 208.2% of the invested amount shall be repaid through interest on interest.
<b>Conversion to shares:</b>	Owners may call for conversion to shares during the period 1-30 April 2025 at a conversion price of SEK 15.

**Trading in subscription rights, paid subscription units and convertible bonds:**

There will be no trading on any marketplace with any of these instruments.

**More detailed information about the new share issue**

The right to subscribe for convertible bonds in the Rights Issue shall be available to those individuals registered as shareholders in the Company on the record date of 11 April 2019. Each shareholder shall have preferential rights to subscribe for convertible bonds in relation to the number of shares the holder previously holds. One (1) existing share in the Company gives entitlement to one (1) subscription right. Seventy-one (71) subscription rights give entitlement to subscribe for one (1) convertible bond at a subscription price of SEK 15, which also corresponds to the nominal amount of the convertible bonds. The loan shall have 13 percent annual interest from 15 May 2019 to 15 May 2025 and shall be paid after the due date.

In the event that not all convertible bonds have been subscribed for with the support of preferential rights, the Board shall decide whether and to what extent the allocation of convertible bonds subscribed for without preferential rights shall take place. Such eventual allocation shall be made to those who have subscribed for convertible bonds with the support of preferential rights, regardless of whether the subscriber was a shareholder at the time of the decision or not, and, in case of over-subscription, in relation to the preferential right that each person utilized for subscription of convertible bonds and, in the event that this cannot happen, by lottery.

Subscription of convertible bonds with the support of subscription rights shall be made through cash payment to an account designated by the Company from 15-30 April 2019. Subscription for convertible bonds without the support of subscription rights shall be made during the same period on a special subscription list. Payment for convertible bonds that have been subscribed for without the support of preferential rights shall be paid to an account designated by the Company no later than ten (10) business days after the dispatch of the settlement note that indicates notification of allocation. The board shall have the right to extend the time for subscription and payment.

Conversion to shares can take place during the period 1-30 April 2025 at a conversion price of SEK 15.

In the event that all convertibles are subscribed for and converted into shares in the Company, there will be a dilution of a total of approximately 1.39 percent of the number of shares and votes in the Company calculated on the conversion of all convertible bonds issued in the Rights Issue divided by the number of shares issued in the Company at the time of the Decision together with the maximum number of shares that can be converted if all convertible bonds are converted as part of the Rights Issue.

**Timetable**

*PharmaLundensis affärsidé är att utveckla nya läkemedel mot lungsjukdomarna KOL och kronisk bronkit. Vidare utvecklar Bolaget EcoFilter som är ett system för att eliminera utsläpp av läkemedel och antibiotikaresistenta bakterier från sjukhusens avloppssystem.*

9 April 2019:	Last day for trading in shares with the right to receive subscription rights.
10 April 2019:	First day for trading in shares without the right to receive subscription rights.
11 April 2019:	Record date for receiving subscription rights.
Around 12 April 2019:	Publication of memorandum.
15 April 2019:	Subscription period begins. No organised trading in subscription rights shall take place.
30 April 2019:	Subscription period ends.
Around 6 May 2019:	Publication of outcome.

**For further information:**

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*This information is the information that PharmaLundensis AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the agency of the above contact person, for publication on 4 April 2019.*

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### **Forward-looking statements**

This press release contains some forward-looking statements that reflect the Company's current views and expectations of future events as well as financial and operational developments, including statements regarding the rights issue as well as statements regarding guidance, planning, prospects and strategies. Words such as "intended", "judged", "expected", "planned", "appreciated", "can", and other expressions that imply indications or predictions of future developments or trends and which are not based on historical facts, represent forward information. Although the Company considers these statements to be based on reasonable assumptions and expectations, the Company cannot guarantee that such forward-looking statements will be realized. Since these forward-looking statements include both known and unknown risks and uncertainties, actual outcomes may differ materially from what is stated in forward-looking information. Forward-looking statements in the press release apply only at the time of the press release and may be subject to change without notice. The company makes no commitment to publish updates or revisions of forward-looking statements as a result of new information, future events or the like beyond what is required by applicable laws or stock market regulations.