



Press release 29 October 2020

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Follicum carries out a directed share issue of approximately SEK 36.6 million

The board of directors of Follicum AB (“Follicum” or the “Company”) has, pursuant to the authorisation granted by the annual general meeting on 4 June 2020, resolved on a directed issue of approximately SEK 36.6 million, before issuing costs, consisting of 14,091,335 new shares at a subscription price of SEK 2.60 per share (the “Directed Issue”). The Directed Issue is made to a number of selected investors. The subscription price in the Directed Issue corresponds to a discount of approximately 8.8 per cent in relation to the volume weighted average price for the Company’s shares during the last six months. The Directed issue entails a dilution of approximately 17.2 percent of the number of shares and votes in the Company.

Follicum intends to use the issue proceeds primarily for the finalization of the ongoing clinical Phase 2 trial for its drug candidate FOL-005 for patients with hair loss, remaining pre-clinical work and other preparations for the clinical phase of the diabetes project, as well as to strengthen the Company’s financial position.

“The successful directed issue has been made possible by significant interest among investors for Follicum’s drug candidate for stimulation of hair growth and the company’s pre-clinical project in diabetes. With strengthened financial muscles and a broader shareholder base, we continue to work towards upcoming and important milestones in both projects”, says CEO Jan Alenfall.

The Directed Issue comprises 14,091,335 new shares at a subscription price of SEK 2.60, which means that the Company will receive gross proceeds of approximately SEK 36.6 million prior to issue costs, which amount to approximately SEK 3 million. The subscription price of SEK 2.60 has been determined by the Company’s board of directors following negotiation with selected investors and corresponds to a discount of approximately 8.8 per cent in relation to the volume weighted average price for the Company’s shares during the last six months. The assessment by the board of directors is that the subscription price is on market terms under current industry and market conditions.

The reason for the deviation from the shareholders’ preferential rights is to carry out a capital raise in a time and cost efficient way, as well as to broaden the shareholder base. At the same time, the Company is provided with working capital at a lower cost and through a quicker process compared to a rights issue, which collectively and with sufficient strength indicate that it is in the Company’s and the shareholders’ interest to carry out a new issue with deviation from the shareholders’ preferential rights.

The following subscribers are participating in the Directed Issue:

<u>Subscriber</u>	<u>Number of shares</u>	<u>Subscription amount</u>
Kudu AB	273,269	710,499.40 SEK
Ulf Andersson	107,692	279,999.20 SEK
Tibia Konsult Aktiebolag	459,038	1,193,498.80 SEK
Pontus Dunér	76,923	199,999.80 SEK
Nordic Cross Asset Management AB	250,000	650,000.00 SEK
Mats Invest AB	362,115	941,499.00 SEK
Bernt Lundberg Fastigheter Lund AB	384,615	999,999.00 SEK
Recipharm Venture Fund AB	724,230	1,882,998.00 SEK
Bo Uddenäs	67,307	174,998.20 SEK
Adrigo Small & Midcap L/S	1,923,076	4,999,997.60 SEK

Roxette Photo NV	384,615	999,999.00 SEK
Strand Kapitalförvaltning AB för kunders räkning	1,000,000	2,600,000.00 SEK
Daniel Johnsson	1,923,076	4,999,997.60 SEK
Gerhard Dal	192,307	499,998.20 SEK
Fårö Capital AB	769,230	1,999,998.00 SEK
Bengt Halse	384,615	999,999.00 SEK
Niclas Löwgren	192,307	499,998.20 SEK
Råsunda förvaltning aktiebolag	192,307	499,998.20 SEK
Thomas Gidlund	192,307	499,998.20 SEK
Fredrik Lundgren	1,153,846	2,999,999.60 SEK
LUSAM Invest AB	769,230	1,999,998.00 SEK
Mattias Molvidson	116,923	303,999.80 SEK
Rothesay Limited	2,000,000	5,200,000.00 SEK
Jens Miöen	192,307	499,998.20 SEK
	14,091,335	36,637,471.00 SEK

Through the Directed Issue, the number of outstanding shares and votes will increase with 14,091,335 from 67,606,769 to 81,698,104. The share capital will increase by SEK 1,690,960.20 from SEK 8,112,812.28 to SEK 9,803,772.48. Payment for the newly issued shares shall be made cash no later than 5 November 2020. For technical reasons, the Directed Issue will be subscribed for by Nordic Issuing (acting as issuing agent for the Directed Issue) at the quota value of the shares, for subsequent transfer to the investors who have applied to subscribe for shares at SEK 2.60 per share. The Directed Issue entails a dilution of approximately 17.2 percent of the number of shares and votes in the Company for shareholders who are not participating in the Directed Issue.

About FOL-005

FOL-005 is a modified, short version of the endogenous protein, osteopontin. In two completed clinical studies, treatment with FOL-005 has been shown to be effective and safe. The first study was done in healthy volunteers while the other one was conducted in alopecia patients, i.e. in men with incipient baldness. In both studies, patients were treated at the clinic with intradermal injections, 2 or 3 times a week.

About Alopeci

Unwanted hair loss (alopecia), which is commonly referred to as “baldness”, affects about a third of all men between the ages of 20 and 50 in the Western world. For men over 50 years of age, the proportion with hair loss is even higher, about 50%. A significant proportion of women also suffer from unwanted hair loss. All in all, this translates to a huge market for an effective and safe hair-stimulating drug. Today, there are principally only two medicinal substances used for treatment. Sales of these drugs amount to more than USD 3 billion annually. Compared to existing preparations, FOL-005 is likely to offer several benefits, such as fewer side effects, easier dosage and higher proportion of responders.

For further information, please contact:

Jan Alenfall – CEO, Follicum AB
 Telephone: +46 (0)709 31 51 15
 Email: info@follicum.com

This information is information that Follicum is obliged to make public under the EU Market Abuse Regulation. The information was submitted, through the agency of the above contact person, for publication on 29 October 2020.

About Follicum AB

Follicum AB (Spotlight: FOLLI) develops drugs based on tissue repairing peptides with potential use in a number of disease areas. The company's most advanced drug candidate, FOL-005 for hair loss, is currently being evaluated in a

Phase 2a study in collaboration with internationally renowned specialist clinics. In the field of diabetes, a project is being run aimed at protecting insulin-producing cells from damage and thus reducing the risk of complications. Based on promising preclinical results, preparations are underway for a Phase I study. Both projects have the potential to become so-called first-in-class drugs. For more information, visit www.follicum.com.

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This press release is not a prospectus. Follicum has not authorized any offer to the public of shares or rights in any member state of the EEA and no offer prospectus has been or will be prepared in connection with the Directed Issue.

Forward looking statements

This press release contains certain forward-looking statements that reflect Follicum's current views on expectations of future events as well as financial and business development, including statements regarding the capitalisation and statements regarding guidance, planning, prospects and strategies. Words such as "referred", "estimated", "expected", "planned", "anticipated", "can", and other expressions that imply indications or predictions of future developments or trends, and which are not the basis of historical facts, are forward information. Although the Company believes that these statements are based on reasonable assumptions and expectations, Follicum cannot guarantee that such forward-looking statements will be implemented. As these forward-looking statements include both known and unknown risks and uncertainties, real outcomes can differ substantially from what is stated in forward-looking information. Forward-looking statements in the press release only apply at the time of the press release and may 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 regulation.