

The Board of Directors decides on preferential issue of units in order complete the GRAS SA process and accelerate sales of CarbiAXOS

The Board of Directors of Carbiotix AB ("Carbiotix" or the "Company") has today, on December 7, 2023, resolved to carry out an issue of units (the "Rights Issue") consisting of shares and free warrants of series TO 3 ("TO 3"), with preferential right for the Company's existing shareholders. The decision is subject to approval at the Extraordinary General Meeting scheduled to be held on January 10, 2024. The Rights Issue is conditional on the limits of the share capital and number of shares in the Articles of Association being amended and the reduction of the share capital being resolved in accordance with the Board of Directors' proposal to the Extraordinary General Meeting. The issue volume initially amounts to a maximum of approximately SEK 18.7 million before transaction related costs. Upon full subscription of the Rights Issue and full utilization of issued TO 3 at the highest subscription price, the Company may receive an additional approximately SEK 7.5 million before transaction related costs. The decision on the Rights Issue is secured in writing by members of the Board, management, certain existing owners and external investors to a total of approximately 60 percent (corresponding to approximately SEK 11.2 million) through subscription and guarantee commitments. To finance the operations until the proceeds from the Rights Issue are received by the Company, Carbiotix has also raised a bridge loan of approximately SEK 3 million. A memorandum, containing a detailed description of the offer and operations, will be published no later than when the subscription period for the Rights Issue begins. Notice of the Extraordinary General Meeting will be published in a separate press release.

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Erik Deaner, CEO of Carbiotix, comments

"Carbiotix's transition to becoming a commercial business is almost a reality, as we are finally approaching GRAS SA approval and can open up opportunities for the sale of CarbiAXOS as a dietary supplement in the US, as well as with a recent approval for cosmetics giving us opportunities for sales in the US and EU. With all the significant progress we have made during 2023, we are well prepared for the transition to a full-fledged commercial operation with the upcoming Rights Issue."

Motive and use of proceeds

Carbiotix is well on its way to becoming a commercial operation and to finance this change, Carbiotix is carrying out the Rights Issue, which, if fully subscribed, will initially provide the Company with approximately SEK 18.7 million before transaction related costs. Upon full subscription of the Rights Issue and full use of issued TO 3 at the highest exercise price, the Company may receive another maximum of approximately SEK 7.5 million before transaction related costs. The transaction related costs for the Rights Issue are estimated to amount to a maximum of approximately SEK 3.2 million (of which approximately SEK 1.4 million refers to

guarantee compensation, provided that all guarantors desire cash compensation). The issue proceeds will also be used for repayment of bridge loans.

It is the Board's assessment that the net proceeds from the full subscription level of the Rights Issue are sufficient to finance the Company's ongoing operations and plans up to and including 2024, for example to complete GRAS SA processes and accelerate the sale of CarbiAXOS dietary supplements and cosmetic ingredients.

Objectives

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

2023

- Increase production of samples from Bjuv for various internal and external safety, efficacy and validation tests for dietary supplement and cosmetic applications.
- Complete the GRAS SA process for CarbiAXOS from corn fiber to enable customer samples and orders to be fulfilled through Carbiotix contract manufacturing partners in the US.
- Complete the ongoing CarbiAXOS Metformin study for patients with type 2 diabetes and submit an EU application for funding to be able to expand this study to several hundred patients.

2024

- Submit the first patent application for CarbiAXOS as an advanced symbiotic product.
- Submit a Novel Foods application allowing the sale of CarbiAXOS in Europe as a dietary supplement ingredient.
- Upgrade the production facility in Bjuv with a spray dryer to expand the production capacity of CarbiAXOS and, among other things, becoming less dependent on third parties.
- Start the sale of CarbiAXOS cosmetic ingredients globally and thus the production at the plant in Bjuv to meet the growing demand.
- Continue with sales efforts of CarbiAXOS for dietary supplement and cosmetic applications in the US via direct sales, trade shows and appropriate distribution networks/partners.
- Complete validation tests of CarbiAXOS based on recycled oat and pea fibers and complete the GRAS SA process for at least one of these fibers.
- Upon successful funding application; start an extended CarbiAXOS Metformin study.

2025

- Complete the Novel Foods process for CarbiAXOS based on corn fiber and start sales of CarbiAXOS for dietary supplement applications in 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 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.
- Complete 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, subject to the approval of the extraordinary general meeting, decided on the implementation of an issue of a maximum of 20,736,229 units consisting of a maximum

of 186,626,061 shares and a maximum of 62,208,687 warrants of series TO 3. Carbiotix's 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 January 15, 2024, entitles to one (1) unit right. One (1) unit right entitles the holder to subscribe for one (1) unit in Carbiotix. Each unit consists of nine (9) shares and three (3) warrants of series TO 3. The subscription price in the Rights Issue has been set at SEK 0.90 per unit, which corresponds to SEK 0.10 per share. Subscription options of series TO 3 are issued free of charge.

Subscription of units must take place during the subscription period that runs from and including January 17, 2024, to and including January 31, 2024. 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 January 17, 2024, to and including January 26, 2024. Trading in BTU (Paid Subscription Unit) is expected to take place during the period from and including January 17, 2024, until the Rights Issue registered with the Swedish Companies Registration Office.

The Rights Issue will initially increase the share capital by a maximum of SEK 18,662,606.10, from SEK 2,736,22.90 to SEK 20,736,229.00 (before reduction of the share capital) and the total number of shares will increase by a maximum of 186,626,061 shares, from 20,736,229 shares to 207,362,290 shares. Existing shareholders who choose not to participate in the Rights Issue will be recognized with a dilution effect corresponding to approximately 90 percent of the votes and capital, 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 subscription rights no later than January 26, 2024.

Terms for warrants of series TO 3

One (1) TO 3 gives the holder the right to subscribe for one (1) new share in Carbiotix during the period that runs from and including June 5, 2024, to and including June 19, 2024. The subscription price for TO 3 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 beginning of the exercise period and the subscription price will be determined within the range where the quota value at the relevant time is the lowest price per new share and SEK 0.12 per new share is the highest price in the range. The subscription price must be rounded to the nearest whole öre. The Company will announce the subscription price the day before the first day of the usage period. Upon full subscription of the Rights Issue and full utilization of TO 3 issued thereby at the highest subscription price, the Company may receive a maximum of approximately SEK 7.5 million before transaction costs, which are estimated to amount to approximately SEK 0.6 million.

Through TO 3, the share capital can increase by a maximum of SEK 622,086.87 (before reduction of the share capital). Provided that the Rights Issue is fully subscribed and that TO 3 is fully utilized, TO 3 will result in a dilution of approximately 23 percent of the votes and capital. TO 3 is planned to be admitted to trading on the Spotlight Stock Market as soon as possible after final registration of the Rights Issue with the Swedish Companies Registration Office. The last day of trading in TO 3 is expected to be June 17, 2024.

Pre-subscription and guarantee commitment agreements

The Rights Issue is secured in writing by members of the Board, management, certain existing shareholders and external investors to a total of approximately 60 percent (equivalent to approximately SEK 11.2 million) through pre-subscription and bottom guarantee commitments. The pre-subscription commitments amount to approximately SEK 2.3 million, which corresponds to approximately 12.2 percent of the Rights Issue. The guarantee commitments amount to a total of approximately SEK 8.9 million, corresponding to approximately 47.8 percent of the Rights Issue.

For the guarantee commitment, a guarantee fee of 15 percent in cash or 20 percent in the form of newly issued units, which are issued on the same terms as the Rights Issue, is paid. No compensation is paid for the subscription commitments that have been submitted.

The pre-subscription and guarantee commitments are not secured by bank guarantee, blocking funds, pledging or similar arrangements.

Bridge loan

In order to secure the Company's short-term working capital need until the liquidation from the Rights Issue accrues to Carbiotix, the Company has taken out a bridging loan of a total of SEK 3 million from Formue Nord Markedsneutral A/S. For the bridging loan, an interest rate of 1.5 percent is paid per started 30-day period. The bridge loan is intended to be repaid with cash from the rights issue. The Board of Directors of the Company assesses the terms of the bridging loan as market-based.

Lock up

Through lock-up agreements, with Sedermera Corporate Finance AB as counterparty, the Board and management have undertaken, with customary exceptions, not to sell any of the existing shareholding or such shareholding that is added through subscription in the Rights Issue, during a period of six months after the Rights Issue has been implemented.

Extraordinary General Meeting

The Board's decision on the Rights Issue is subject to approval at an Extraordinary General Meeting which is scheduled to be held on January 10, 2024. The decision on the Rights Issue presupposes and is conditional on changes to the limits of share capital and number of shares in the articles of association, as well as a reduction of the share capital in order to lower the shares' quota value and thus release capital from the Rights Issue at the disposal of the business under company law, is decided in accordance with the board's proposal to the extraordinary general meeting. The maximum reduction of the share capital will not exceed the share capital increase that takes place through the Rights Issue. The share capital will therefore be reduced by SEK 18,662,606.10 at most. Notice of the Extraordinary General Meeting is published through a separate press release.

Indicative timeline for the Rights Issue

- Last day for trading in shares, including the right to receive unit rights: 11 January 2024.
- First day for trading in shares, excluding the right to receive unit rights: 12 January 2024.
- Record date for participation in the Rights Issue: 15 January 2024.
- Subscription period: 17-31 January 2024.
- Trading in unit rights: 17-26 January 2024.



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- Trading in BTU: from 17 January 2024 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.
- Press release on the outcome of the Rights Issue: around 1 February 2024.

Memorandum, teaser and the possibility to subscribe for units

Memorandum 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 the subscription period begins. Via Nordic Issuing AB's website, it will also be possible to subscribe for units.

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 further information about the Rights Issue, please contact:

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Important information

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This is information that Carbiotix AB is obliged to make public according to the EU Market Abuse Regulation (MAR). The information was made publicly available by the Company's contact person set out above on 7 December 2023.

About Carbiotix

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