

The Board of Directors of Carbiotix AB (publ) proposes a directed share issue of a maximum of approximately SEK 7.00 million

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, HONG KONG, NEW ZEALAND, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND, SINGAPORE, JAPAN, RUSSIA, BELARUS OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD NOT BE IN COMPLIANCE WITH APPLICABLE LAWS OR REGULATIONS OR WOULD REQUIRE REGISTRATION OR SIMILAR MEASURES.

The Board of Directors of Carbiotix AB (publ) ("Carbiotix" or the "Company") has today resolved to propose a directed share issue of a maximum of 175,000,024 shares at a subscription price of SEK 0.04 per share (the "Directed Issue"). The investors in the Directed Issue are Sustainable Holding Sweden AB, owned by the Company's Chairman of the Board, Kristofer Cook, and the external investors Konvexitet AB and Lars Niklas Borgquist. Through the Directed Issue, the Company will receive a maximum of approximately SEK 7.00 million before deduction of issue costs, which are estimated to amount to approximately SEK 0.30 million. The notice to the extraordinary general meeting will be issued separately.

The Directed Issue

The investors in the Directed Issue consist of Sustainable Holding Sweden AB, owned by the Company's Chairman of the Board, Kristofer Cook, and the external investors Konvexitet AB and Lars Niklas Borgquist. The participation in the Directed Issue is shown in the table below. All investors have committed to subscribe for their respective shares of the Directed Issue through binding subscription undertakings.

Existing owners	Amount (SEK)	Number of shares (pcs)
Sustainable Holding Sweden AB	3,500,000.96	87,500,024
New owners	Amount (SEK)	Number of shares (pcs)
Konvexitet AB	2,500,000.00	62,500,000
Lars Niklas Borgquist	1,000,000.00	25,000,000
Total:	7,000,000.96	175,000,024

Through the Directed Issue, a maximum of 175,000,024 shares will be issued at a subscription price of SEK 0.04 per share, which means that the Company will receive a maximum of approximately SEK 7.00 million before issue costs, which are estimated to amount to approximately SEK 0.30 million.

Reasons for the deviation from pre-emption rights and reasons for the capitalisation

The reasons for the deviation from shareholders' pre-emption rights are as follows. The Board of Directors has carefully investigated and considered alternative financing options, including the possibility

REGULATORY PRESS RELEASE

of raising capital through a rights issue. However, after an overall assessment and careful consideration, the Board of Directors is of the opinion that a new share issue carried out with deviation from the shareholders' preferential rights is a more favourable alternative for the Company and the Company's shareholders than a rights issue and that it is objectively in the interest of both the Company and its shareholders to carry out a directed issue. The Board has considered, inter alia, the following.

- The rights issue of shares and warrants decided by the Board of Directors on 7 December 2023, approved by the General Meeting on 10 January 2024 and whose subscription period ended on 31 January 2024 was subscribed to a total of approximately 76.2 per cent, of which underwriters subscribed to approximately 3.9 per cent. The attached warrants of series TO3, whose subscription price was set at SEK 0.04 per new share (the same price as proposed in the Directed Issue) and which could be exercised for subscription of new shares in the Company during the period 5 June 2024–19 June 2024, only had a subscription rate of approximately 39.12 per cent. Consequently, part of the Company's capital needs remain.
- An additional rights issue would be significantly more time and resource consuming compared to a directed issue, not least due to the work involved in securing a rights issue, while there is no guarantee that such an issue would be fully subscribed. A reduced timeframe allows flexibility for potential investment opportunities in the short term, contributes to reduced exposure to fluctuations in the share price on the stock market, and enables the possibility to capitalise on the current interest in the Company's share. Furthermore, the costs of a directed issue are considered to be lower than the costs of a rights issue since, inter alia and based on the market volatility observed in 2024, such an issue would also require significant underwriting commitments from an underwriting syndicate, which would entail additional costs and/or additional dilution for shareholders depending on the nature of the consideration for such underwriting.
- The reason why the issue is partly directed to the existing shareholder is that this shareholder has expressed and demonstrated a long-term interest in the Company, which, according to the Board of Directors, creates security and stability for both the Company and its shareholders as well as significant strategic and long-term value. It is the Board's assessment that without the support of the existing shareholder, it would not have been possible to carry out a successful capital raising. Furthermore, the Company's shareholder base will be strengthened with two new long-term investors.
- Another aspect that speaks in favour of the choice of a directed issue is that a rights issue would most likely have had to be carried out at a significant discount, which would lead to greater dilution effects for the Company's existing shareholders, which is avoided with a directed issue where the subscription price has been set at SEK 0.04, corresponding to a discount of approximately 10.00 per cent against the closing price of the Company's share on Spotlight Stock Market on 5 July 2024. From a shareholder perspective, a rights issue at a significant discount also entails a risk of a negative effect on the share price in connection with the implementation of the rights issue.

In light of the above, the Board's overall assessment is that the reasons for carrying out the Directed Issue outweigh the reasons for a rights issue in accordance with the main rule, and that a directed share issue is therefore in the interests of both the Company and all its shareholders.

The subscription price has, after arm's length negotiations between the Company and the external investors, been set at SEK 0.04 per share. The subscription price corresponds to a discount of

REGULATORY PRESS RELEASE

approximately 10.00 per cent compared to the closing price of the Company's share on Spotlight Stock Market on 5 July 2024. During the negotiations of the subscription price, it has been taken into account that the Company's warrants of series TO3, whose subscription price was set at SEK 0.04 per new share and which could be exercised for subscription of new shares in the Company during the period 5 June 2024–19 June 2024, only had a subscription rate of approximately 39.12 per cent. The Board of Directors therefore makes the assessment that the subscription price has been determined in such a way that marketability has been ensured and that the subscription price reflects prevailing market conditions and demand.

Number of shares, share capital and dilution

Through the Directed Issue, the number of shares and votes will increase by 175,000,024 to 376,023,000 and the share capital will increase by SEK 2,625,000.36 to SEK 5,640,345.00. The new share issue entails a dilution for existing shareholders of approximately 46.54 per cent of the number of shares and votes in the Company.

Lock-up agreement

Provided that the Directed Issue is completed, the investors will undertake, with certain customary exceptions, not to sell or otherwise dispose of their shares in the Company for a period of 12 months from the settlement date of the Directed Issue.

Extraordinary general meeting

The Directed Issue is subject to Chapter 16 of the Swedish Companies Act (2005:551) (the so-called Leo rules). Accordingly, a resolution of the general meeting is only valid if it has been supported by shareholders representing at least nine-tenths (9/10) of both the votes cast and the shares represented at the general meeting. The General Meeting Notice of the Extraordinary General Meeting will be issued through a separate press release. The EGM is planned to be held on 14 August 2024.

Flagging

The Company announces that Sustainable Holding Sweden AB and Konvexitet AB, as a result of the Directed Issue, will pass the flagging threshold of 25.00 and 15.00 per cent, respectively. Sustainable Holding Sweden AB already owns 23,999,998 shares in the Company, corresponding to approximately 11.94 per cent. Following the completion of the Directed Issue, Sustainable Holding Sweden AB's holding will amount to 111,500,022 shares, corresponding to approximately 29.65 per cent of the shares in the Company. Following the completion of the Directed Issue, Konvexitet AB's holding will amount to 62,500,000 shares, corresponding to approximately 16.62 per cent of the shares in the Company.

The UDI Act

Carbiotix has made the assessment that the Company conducts activities worthy of protection according to the Act (2023:560) on the review of foreign direct investments, which is why certain investments in the Company must be notified to the Swedish Inspectorate for Strategic Products (“ISP”). Through the Directed Issue, Sustainable Holding Sweden AB and Konvexitet AB will exceed the thresholds of 20.00 per cent and 10.00 per cent, respectively, which is why the investments are subject to notification. Allocation of the shares will only take place after the investment has been cancelled or approved by ISP.

Advisors

Moll Wendén Advokatbyrå AB is acting as legal advisor to the Company in connection with the Directed Issue and Eminova Fondkommission AB is acting as issuing agent in connection with the Directed Issue.



REGULATORY PRESS RELEASE

This information is information that Carbiotix AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 2024-07-08 CEST 10:30.

For further information, please contact

Carbiotix AB
Kristofer Cook, Chairman
Tel: 0708-796580
E-mail: kristofer.cook@carbiotix.com

Carbiotix AB (publ) (CRBX) (www.carbiotix.com) is an award-winning biotechnology company pioneering microbiome healthcare through upcycled prebiotics. Carbiotix mission is to improve the health of people by increasing the consumption of prebiotics. Carbiotix offers one core service today called NutraCycle, an on-site upcycling and fortification service allowing food & beverage, ingredient, and feed producers to turn plant-based products into functional products.

Important information

The publication, release or distribution of this press release in certain jurisdictions may be restricted by law and persons in the jurisdictions where this press release has been published or distributed should inform themselves about and observe any such legal restrictions. The recipient of this press release is responsible for using this press release and the information contained herein in accordance with the applicable rules in each jurisdiction. This press release does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for any securities issued by the Company in any jurisdiction in which such offer or solicitation would be unlawful.

This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the **"Prospectus Regulation"**) and has not been approved or reviewed by any regulatory authority in any jurisdiction. A prospectus will not be prepared in connection with the Directed Issue.

This press release does not constitute an offer or invitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of such securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, in or into the United States, Canada, Australia, Hong Kong, New Zealand, South Africa, South Korea, Switzerland, Singapore, Japan, Russia, Belarus or any other jurisdiction where such announcement, publication or distribution of this information would be unlawful or where such action is subject to legal restrictions or would require additional registration or other measures than those required by Swedish law. Actions contrary to this instruction may constitute a violation of applicable securities laws.

This press release does not identify or purport to identify any risks (direct or indirect) that may be associated with an investment in new shares. This press release does not constitute an invitation to



REGULATORY PRESS RELEASE

underwrite, subscribe or otherwise acquire or transfer securities in any jurisdiction. This press release does not constitute a recommendation for any investor's decision regarding the Directed Issue. Each investor or potential investor should conduct its own investigation, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities may go down as well as up and past performance is no guide to future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or expectations regarding the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and can be identified by the use of words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "anticipates", "should", "could" and, in each case, the negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialise or that they are accurate. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes could differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements contained in this press release are accurate and any reader of this press release should not place undue reliance on the forward-looking statements contained in this press release. The information, opinions and forward-looking statements expressed or implied herein are made only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless required to do so by law or the rules of Spotlight Stock Market.