July 18, 2024

Regulatory press release

Enzymatica's Board of Directors decides on a new rights issue of approximately SEK 130 million

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The board of Enzymatica AB (publ) ("Enzymatica" or the "Company") has decided to carry out a rights issue of approximately SEK 130 million with preferential rights for existing shareholders (the "Rights issue"). The Rights issue is subject to approval from an extraordinary general meeting to be held on August 6, 2024. The purpose of the Rights issue is to secure working capital for the business during the time that negotiations and new registrations take place on existing and new markets, to conduct in-depth studies on ColdZyme and to repay bridging loans. According to the terms of the Rights issue, one (1) existing shares in Enzymatica entitles one (1) subscription right. Five (5) subscription rights give the right to subscribe for two (2) new shares at the price of SEK 1.90 per share. The Rights issue will be secured to 90 percent through subscription obligations and guarantee commitments.

Background and reasons

For the past three years, Enzymatica's management and board have conducted structured and planned work to prepare the Company for rapid international expansion. The production capacity in the own facility in Iceland has quadrupled and major investments have been made to strengthen the regulatory and scientific documentation about the Company's patented barrier technology and the product ColdZyme. After several important advances in the first half of 2024, Enzymatica is better equipped than in a long time for profitable, broad and rapid growth.

The corona pandemic had strong negative effects for the Company, among other things through largely non-existent sales to international partners since 2021. At the same time, the pandemic meant changed consumer behavior that could be favorable for Enzymatica in the long term. Among consumers today, there is a significantly greater knowledge of viruses and a greater acceptance of how important it is to be able to protect oneself against airborne respiratory viruses. Enzymatica's ColdZyme mouth spray is easy to use and easy to carry. During the pandemic, new and more cost-effective testing methods for measuring viruses (PCR) were developed, which has enabled new studies. The rapidly growing scientific documentation about ColdZyme helps to make this personal care product interesting and relevant to consumers worldwide.

The clinical study conducted by Professor Glen Davison at the University of Kent (UK) continued in the spring of 2024 and in June additional study results came. Interim data from the study show that ColdZyme can shorten the course of a cold by up to five days. Already in the past, the study has shown a significant reduction in the viral load among the participants using ColdZyme. The study is double-blind, randomized and placebo-controlled and is conducted on 160 elite athletes who are required to take ColdZyme or a placebo when they feel early cold symptoms. This means that the study provides up-to-date real-life data that is as relevant to elite athletes as it is to the general public. According to the University of Kent, the final results from the study will be presented in August 2024.

The study results have received international attention and Professor Davison has, among other things, presented his interim results at the International Olympic Committee's conference on sports-related injuries and illnesses, which has led to several countries' Olympic squads using ColdZyme during the Olympics and Paralympics in Paris

2024. Enzymatica has also been contacted by several major international players in consumer health, who are interested in collaborations around the product.

Studies on ColdZyme are also underway at the Medical University of Innsbruck (Austria). A research group there has been able to show that ColdZyme is very effective in cells infected with influenza virus. After only a few days of treatment with ColdZyme, the previously infected cells look like healthy cells again. The research groups in Kent and Innsbruck are collaborating and planning, among other things, a joint scientific article in the fall of 2024. Together with the MDR certification (class III) of ColdZyme announced in March 2024, the studies in Kent and Innsbruck mean that the registration of Enzymatica's mouth spray in new markets can go easier and faster.

In the USA, an expert panel at the FDA has concluded that there is a lack of sufficient scientific documentation for the ingredient phenylephrine in products against colds that are taken orally. One possible outcome of this announcement is that phenylephrine is banned in oral products on the American market. If this happens, it could mean great commercial opportunities for Enzymatica, when large consumer healthcare manufacturers need to find a replacement for hundreds of cold products.

At the same time, the Swedish government has given the Swedish Agency for Health Technology Assessment and Assessment of Social Services (SBU) the task of evaluating the scientific basis for products against the common cold. ColdZyme's good scientific documentation and the MDR certification can also mean great commercial opportunities here because ColdZyme is scientifically well documented.

In the fall of 2023, Enzymatica notified its two largest partners, STADA and Sanofi, that they were not allowed to retain their exclusive sales rights in their respective markets. This is because the order intake from both companies has been very low for several years. The decision opens up opportunities for Enzymatica to bring in new partners for large and important cold markets, and such discussions have taken place during the first half of 2024. No agreements have yet been signed, but Enzymatica expects to work with both existing and new partners in the future.

In discussions with potential partners, it has become clear that some partners would have liked to see a partially different contract model to the one that Enzymatica offers today. There are profits to be made for all actors in the value chain if partners also take responsibility for filling and packaging. Today, this is done by a contract manufacturer led by Enzymatica. If filling and packaging instead takes place locally in the larger markets, this would provide better margins for Enzymatica as well as for partners, and the shelf life of the final product towards the consumer would be extended when long international transports of finished products can be avoided.

During the first half of the year, Enzymatica's board and management have therefore started an investigation into what such a business model could look like, where Enzymatica can be both a producer of the final product and a supplier of enzyme formulations that are completed into final products locally.

The assessment is that Enzymatica's existing working capital is not sufficient for the Company's current needs. As of June 30, 2024, the Company's cash and cash equivalents amounted to approximately SEK 8.2 million. Considering assessed cash flows, it is assessed that the existing working capital covers the Company's capital needs up to and including September 2024 and that the business will result in a working capital deficit of approximately SEK 75 million for the coming twelve-month period.

The strengthened scientific documentation about Enzymatica's patented barrier technology, the increasing regulatory requirements and a growing interest from international actors means that the board considers it important to ensure the financial stability of the business. Among other things, this facilitates negotiations with potential partners, to ensure that agreements are signed based on long-term development rather than against the background of short-term financial needs.

Terms and conditions in brief

The terms of the Rights issue mean that five (5) existing shares give the right to subscribe for two (2) new shares at the price of SEK 1.90 per share. Approximately 56.6 percent of the Rights issue is covered by subscription

obligations from board members, management and a number of the company's major shareholders. Furthermore, the company has entered into guarantee commitments with a number of major shareholders of approximately SEK 43,7 million, corresponding to approximately 33,6 percent of the Rights issue. In total, 90,27 percent of the issue is covered by subscription obligations and guarantee commitments. In case of full subscription, Enzymatica will receive approximately SEK 130 million before issue costs of approximately SEK 5 million.

The share capital will therefore increase by a maximum of approximately SEK 2,774,117.32 and the number of shares by a maximum of 69,352,888 shares. The subscription price is SEK 1.90 per share. The dilution at full subscription amounts to approximately 28.6 percent.

The record date at Euroclear Sweden AB for participation in the Rights issue is August 26, 2024.

The subscription period will run from and including August 28, 2024, up to and including September 11, 2024.

Subscription rights not exercised by that date will expire and will lose their value. Trading in subscription rights is expected to take place on Nasdaq First North Growth Market from and including August 28, 2024, up to and including September 6, 2024.

In the event that not all shares have been subscribed with the support of subscription rights, the board must, within the framework of the maximum amount of the Rights issue, decide on the allocation of shares subscribed without the support of subscription rights. Such shares shall primarily be allocated to those who also subscribed for shares with the support of subscription rights, regardless of whether they were shareholders on the record date or not, pro rata in relation to the number of subscription rights that each exercised for subscription. Alternatively, such shares must be allocated to others, pro rata in relation to their reported interest. To the extent that allocation according to above cannot take place pro rata, allocation must be made by lottery. Any remaining shares must be allocated to those who guaranteed the Rights issue, pro rata in relation to the guaranteed amount The Board of Directors' decision on the Rights issue is subject to approval by an Extraordinary General Meeting to be held on August 6, 2024. Notice of the Extraordinary General Meeting will be announced in a separate press release and will be published shortly in Post- och Inrikes Tidningar. The notice will also be advertised in Dagens Industri.

Preliminary timetable for the Rights issue

July 29, 2024	Record date for participation at the extraordinary general meeting
August 6, 2024	Extraordinary general meeting
August 22, 2024	Last day of trading in the share including subscription rights
August 23, 2024	First day of trading in the share excluding subscription rights
August 26, 2024	Record date for participation in the Rights issue
August 28 – September 6, 2024	Trading in subscription rights
August 28 – September 13, 2024	Subscription period
September 12, 2024	Estimated date of announcement of the outcome of the Rights issue

The company will prepare a prospectus for the Rights issue which will be published around August 26, 2024.

Advisers
Hagberg & Aneborn Fondkommission AB is Enzymatica's financial adviser in connection with the rights issue. Setterwalls Advokatbyrå is the Company's legal adviser in connection with the rights issue.

This information is information that Enzymatica 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 below, at 07:45 CET on July 18, 2024.

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A prospectus regarding the Rights Issue described in this release will be published by the Company on or about August 26, 2024. This release is however not a prospectus in accordance with the definition in the Prospectus Regulation. In accordance with article 2 k of the Prospectus Regulation this press re-lease constitutes an advertisement. Complete information regarding the Rights Issue can only be obtained through the Prospectus.

Enzymatica has not authorized any offer to the public of shares or rights in any other member state of the EEA. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Rights Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the financial adviser. The financial adviser is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Com-mission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Enzymatica have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Enzymatica may decline and investors could lose all or part of their investment; the shares in Enzymatica offer no guaranteed income and no capital protection; and an investment in the shares in Enzymatica is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Enzymatica.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Enzymatica and determining appropriate distribution channels.