


## INVITATION TO SUBSCRIBE FOR B-SHARES

**Rights issue of approximately SEK 17 million to finance continued research and development towards clinical applications**

“We have initially talked about an instrument for the research world. However, the vision has always been to develop products for use in clinics in a second step and we have recently taken important steps towards our long-term vision. We now want to make strategic investments that we believe will lead to a faster path to clinical applications, where a significantly more extensive market awaits for PEXA.”

- Erik Ekbo, CEO of PEXA



**PExA – with a vision to become an international leader in the collection and analysis of biomarkers for lung diseases**

## **ABOUT PEXA AND THE COMPANY'S OPPORTUNITIES**

**Lung diseases claims more than five million lives worldwide each year and usually begin with changes in the smallest airways. Previously, there has not been good enough and simple methods to study the root causes of these changes, but PEXA has developed PEXA 2.0, a patented instrument that can smartly collect biological samples from the smallest airways through a simple exhalation. PEXA 2.0 is currently used by prominent research groups in several different countries, and research with the instrument has resulted in approximately 20 scientific publications, which act as reference material for PEXA's method. The company is now also looking ahead to the commercial opportunities that exist when the instrument is adapted for use in clinics.**

In a global competition organized by Johnson & Johnson with the aim of finding technologies that can enable the identification of lung cancer at an earlier stage, PEXA in February 2019 was named winner. The PEXA method was considered to be the best solution and thanks to this victory, the company - in addition to a 250,000-dollar prize – receives mentorship and coaching from Johnson & Johnson as well as joining Johnson & Johnson Innovation, which is JLAB's global entrepreneurial network. The victory has brought in-depth discussions between PEXA and research leaders within Johnson & Johnson's dedicated pharmaceutical company Janssen Research & Development, which resulted in a collaboration agreement on research between PEXA, Janssen and the Sahlgrenska Academy. Janssen will conduct clinical investigations into the potential of collecting, using PEXA's technology, potential biomarkers that demonstrate carcinogenic damage as a result of smoking. This is both a significant recognition of the strength of PEXA's technology and also a fantastic opportunity to have an international impact on the commercial potential of the technology - a potential that can mean a very extensive future market.

Since the beginning of sales in 2016, PEXA has noticed a demand and identified a strategic opportunity to develop methods for analysing the biochemical content of the PEX samples. This development means that PEXA can deliver a comprehensive solution that fully capitalizes on PEXA's innovation. With more analytical possibilities, the scope of PEXA's instruments will be broadened, which will significantly facilitate and

accelerate the discovery of clinical applications for the benefit of patients and increase instrument sales. PEXA 2.0 currently uses, among other things, a valve to be used multiple times, which must be disassembled and sterilized after each use. In order to facilitate ease-of-use and reduce the risks related to sterilization of components, PEXA is now developing a disposable valve, scheduled to be launched in 2020, which is expected to generate additional recurring revenue.

PEXA's method has recently been used to study the mechanisms behind the rejection reaction (so-called BOS), which affects about half of the patients who undergo lung transplantation. The results have shown that PEXA 2.0 can indicate changes in the lungs as much as six months earlier than current tests. In 2019, further studies have been initiated to validate these findings. The Board considers this to be a key opportunity to expand the company's market towards a clear and very valuable clinical application. The company's long-term goal is to market and sell several diagnostic instruments for several common diseases (e.g. lung cancer and COPD) to be used globally for diagnosis or general screening at institutions where care is offered (e.g. health centers, outpatients, schools or even within the home). The company intends at the time when it is relevant with sales to clinics, to have developed more patient-friendly, flexible and commercial products, which means that the company is addressing a significantly broader market, which today encompasses several million patients globally.

# THE ROAD AHEAD FOR PEXA

THE FUTURE

The possibilities



- Disposable products launched
- Biochemical analysis products launched
- Larger and expanded research collaborations
- More publications and increased sales
- Clinical application within BOS
- Proof of Concept from prominent researchers

YEAR 2023  
TODAY

The potential



- Commercial instrument adapted for healthcare
- Large-scale sales in the global market
- PEXA is a globally recognized expert on simple and early diagnosis of various lung diseases

The company



- Research Instruments
- Development of disposable components and products for biochemical analysis
- Customers conduct 15 studies
- Small scale sales
- Evaluation within BOS

## THE OFFER IN SUMMARY

**Subscription period:** 14 – 28 November 2019.

**Subscription price:** SEK 2.10 per B share.

**Scope of the Offer:** The Offer comprises a maximum of 8,072,575 Series B shares, corresponding to approximately SEK 17 million.

**Record day and preferential right:** Those who were registered as shareholders in PEXA AB on the record day on November 8, 2019, have the right to subscribe for B shares in the new share issue. For each existing share, one (1) subscription right is obtained. Eight (8) subscription rights entitle to subscription for seven (7) new B shares. The last day for trading in the share, including the right to receive subscription rights, was November 6, 2019. The first day for trading in the share excluding the right to receive subscription rights was November 7, 2019.

**Number of shares before the new share issue:** 9,225,800 shares (of which 432,900 is series A shares).

**Valuation (pre-money):** About SEK 19.4 million.

**Subscription commitments and guarantee subscription:**

The company has received subscription commitments totalling approximately 7.2 MSEK and top-down guarantee subscription totalling approximately 5.8 MSEK, corresponding to approximately 76 percent of the issue volume.

**Trading in subscription rights:** Trading in subscription rights will take place on Spotlight Stock Market during the period 14 – 26 November 2019.

**Trading with BTA:** Trading with BTA (Paid Subscribed Share) will take place on Spotlight Stock Market from November 14, 2019 and continue until the Swedish Companies Registration Office has registered the new share issue. This registration is expected to take place in mid-December 2019.

**ISIN code for the Company's B share:** SE0007412374

## REFERENCE TO MEMORANDUM

All investments in securities are associated with risk-taking. The memorandum for PEXA (only prepared in Swedish) contains a description of potential risks associated with the company's operations and its share. Before an investment decision can be made, these risks, together with other information in the complete memorandum, must be carefully read. The memorandum is available for downloading on the company's ([www.pexa.se](http://www.pexa.se)), Spotlight Stock Market's ([www.spotlightstockmarket.com](http://www.spotlightstockmarket.com)) and Sedermera Fondkommission's ([www.sedermera.se](http://www.sedermera.se)) respective websites.

## A COMMENT FROM ERIK EKBO, CEO OF PEXA


**Since we launched PEXA 2.0 to the market, prominent research groups from several different countries have understood the potential of the PEXA method and chosen to buy and use our instrument in their research.**

Our customers, using our technology, carry out several clinical studies in asthma, COPD, lung cancer, cystic fibrosis, and so far, there are about 20 publications where research results involving PEXA's method are presented. PEXA's long-term goal is to market and sell several different diagnostic instruments that will be used globally for diagnosis or general screening at institutions where care is offered. We eventually want to reach into clinical applications and when we do, we intend to have developed more patient-friendly, flexible and cost-adjusted versions of our product, which means that the company is turning towards a significantly broader market, which today encompasses several million patients globally.

Early this year, PEXA was named winner in a competition announced by Johnson & Johnson. The competition was organized in order to find the best technology to enable the identification of lung cancer at an earlier stage. Only the fact that a global group such as Johnson & Johnson is announcing a competition in this area shows how important the small airways, the region of the lung from which our technology collects biological information, play in detecting lung disease at an earlier stage. The fact that PEXA and our technology have also been selected as winners is of course a great recognition and confirmation that PEXA has the potential to change future healthcare. Following the victory, discussions followed between us and Johnson & Johnson, which culminated in a collaboration agreement with Janssen Research & Development, Johnson & Johnson's dedicated pharmaceutical company. Together, we will explore the possibilities of using PEXA's method to identify potential biomarkers that can reveal critical changes that can lead to lung cancer. This collaboration is one of our most important milestones so far, and if the project is successful, it could enable a whole new approach to lung cancer - the form of cancer that causes the most deaths in the world.

As it looks like today, healthcare is usually applied too late, at a stage where the cancer disease is in a far advanced phase, often with metastases as a result, which makes it impossible to cure. Our hope is that through the project with Janssen, we will be able to change this so that it is possible to detect changes that signal a development toward cancer in good time. If these hopes are met, PEXA's technology could be incorporated into health surveys and used for smokers in many of the world's hundreds of thousands of primary care clinics, and PEXA would also be a very interesting company for major pharmaceutical companies and medical technology companies, as early detection of cancerous changes will lay a fundamental foundation for new drugs and therapies.

We work on several tracks simultaneously to maximize the potential we see. In addition to what I mentioned above, for example, we make strategic investments in development to systematically identify methods that allow the molecular content of the PEX samples to be analysed. It is clear that PEX samples contain a large number of very interesting biomolecules for



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Erik Ekbo  
CEO, PEXA AB

the research, and by validating and documenting analytical methods for the PEX test our concept is complete and thus considerably more sought after and valuable. For every new method and biomolecule that can be detected with PEXA, our market is expanded and at the same time the chances of developing new innovative diagnostic methods and drugs are increased. We need to be a driving force in this development and we also see a business opportunity in the development and commercialization of our own disposable products that facilitate and optimize the preparation of PEX samples for the various biochemical analyses. In combination with successful results from the studies conducted with the technology, we see an overall vision that our technology should be developed into a comprehensive solution for both diagnostics and research in lung diseases.

We have initially talked about an instrument for the research community, as this is the first step in the validation of our instrument. The vision has always been to develop products for use in the clinic in a second step and we have recently taken important steps towards our long-term vision. We are in a unique position to utilize the capabilities of our instrument and further develop our business with products for analysis methods and disposable articles. We want to make strategic investments for extended uses, which we believe will lead to significantly more business opportunities and, in the long term, increased sales and a faster path for PEXA's method for clinical applications, where a significantly more extensive market awaits. We are very pleased to have identified the opportunities described above and are therefore planning to carry out a rights issue of approximately SEK 17 million in order to accelerate development, broaden the use of the PEXA method and increase sales of our product.

Welcome to invest in PEXA!

**Erik Ekbo**  
CEO, PEXA AB

## TERMS AND CONDITIONS FOR PEXA AB

### The offer

The Board of Directors of PEXA AB, decided on the 1st of November 2019, with the authorization from the Extraordinary General Meeting on the 29th of May 2019, of a rights issue to the existing shareholders and the general public. The Company's share capital will increase with a maximum of SEK 1,009,071.875 through the issuance of a maximum of 8,072,575 new shares of series B, each with a nominal value of SEK 0.125 at the subscription price of SEK 2.10 for the B-share. The rights issue is conducted with preferential subscription right for existing shareholders. The total issue proceeds amounts to a maximum of SEK 16,952,407.50.

### Preferential subscription rights

Parties who on the record date November 8th, 2019, were shareholders of PEXA AB have preferential rights to subscribe for B-shares in the rights issue in relation to their previous shareholdings, whereby one (1) existing share, regardless of series, entitles to one (1) subscription right. Eight (8) such subscription rights entitle to subscription of seven (7) new share of series B.

### Subscription price

The subscription price determined by the Board of Directors is SEK 2.10. No brokerage fee will be charged.

### Record date

Record date at Euroclear Sweden AB ("Euroclear") for participation with preferential rights was on November 8th, 2019. The last day of trading of shares in PEXA AB including preferential rights was on November 6th, 2019. The first day of trading with shares in PEXA AB without preferential rights was on November 7th, 2019.

### Subscription period

The subscription period starts on November 14th, 2019, and ends on November 28th, 2019, at 3 p.m. After the subscription period, all unexercised subscription rights will be void and lose their value. Unexercised subscription rights are removed from the respective shareholder's securities depository account, without specific notification from Euroclear.

### Trading with subscription rights

Trading in subscription rights will take place on Spotlight Stock Market from the 14th of November 2019, until the 26th of November 2019. Shareholders should immediately contact their bank or other nominee with the necessary authority to carry out the purchase and sale of subscription rights. Subscription rights that are acquired during the above-mentioned trading period provide the same right to subscribe for new shares as shareholders with subscription rights based on their shareholdings in PEXA AB on the record date. Subscription rights must be exercised no later than on the 28th of November 2019 or sold no later than the 26th of November 2019, in order to not become void or lose their value.

### Preprinted paying slips and subscription forms

#### **Shareholders with preferential rights directly registered in Euroclear**

Shareholders or representatives of shareholders, who on the record date November 8th, 2019, were registered in the Euroclear system, receives a preprinted paying slip (account statement), the subscription form "Subscription with subscription rights", the subscription form "Subscription without subscription rights" and a folder containing the terms, conditions for the rights issue with referral to the memorandum and a money laundry form. The information can be downloaded at Sedermera Fondkommission's web page ([www.sedermera.se](http://www.sedermera.se)), Spotlight Stock Market ([www.spotlightstockmarket.com](http://www.spotlightstockmarket.com)) or at the web page of PEXA AB ([www.pexa.se](http://www.pexa.se)). Shareholders who are included in the separate list of pledgees and others in relation to the Euroclear system do not receive information and will be notified separately. An account notice, which declares the delivery of subscription rights on the shareholders' book-entry account, are not distributed.

#### **Shareholders with nominee registered preferential rights**

Shareholders whose holdings of shares in PEXA AB are nominee registered with a bank or other trustee do not receive a preprinted paying slip or subscription form but will receive a folder containing a summary of the rights issue and reference to the full memorandum. Subscription and payment should instead be in accordance with instructions from the respective bank or trustee. Please note that in the event that the use of subscription rights takes place via a bank and a trustee, this should be done early in the subscription period, as the respective bank/ trustee may set different deadlines for the last subscription date.

### Subscription of shares with preferential right

Subscription with preferential rights shall be made by simultaneous cash payment no later than November 28th, 2019, at 3 p.m. Subscription by payment must be made either with the prepaid payment slip attached to the issuance statement or by payment instructions on the special subscription form in accordance with the following two options:

#### **1) Preprinted paying slip (account statement).**

If all subscription rights allotted on the record date are exercised, only the preprinted paying slip shall be used as documentation for subscription by way of cash payment. The subscription form "Subscription with subscription rights" shall not be used in this case.

#### **2) Subscription form – "Subscription with subscription rights"**

In the event a different number of subscription rights than what is stated on the preprinted paying slip shall be exercised, for example, if subscription rights are acquired or sold, the "Subscription with subscription rights" is to be used for subscription by means of cash payment. The Shareholders must state on the Subscription Form the number of subscription rights being exercised, the number of shares they are subscribing for, and the amount that is being paid. If the payment is made in any way other than with the attached payment slip, the securities account must be indicated as a reference. Incomplete or incorrectly filled in subscription forms may be disregarded. The subscription form "Subscription with subscription rights" can be downloaded at Sedermera Fondkommission's web page ([www.sedermera.se](http://www.sedermera.se)). A completed subscription form must, in connection with cash payment, be sent or faxed to, and received by Sedermera Fondkommission no later than the 28th of November 2019, at 3 p.m. on the contact details stated below. The subscription is binding.

Subject: PEXA AB  
Sedermera Fondkommission  
Norra Vallgatan 64  
211 22 Malmö, Sweden

Fax: +46 (0) 40-615 14 11  
Phone: +46 (0) 40-615 14 10  
E-mail: [issuingservices@sedermerna.se](mailto:issuingservices@sedermerna.se) (scanned subscription form)

### Subscription above 15 000 EUR with preferential right

If the subscription amounts to, or exceeds, 15 000 EUR a money laundering form shall be completed and sent to Sedermera Fondkommission in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. Please observe that Sedermera Fondkommission cannot distribute any BTA, even if payment have been received, before the money laundering form has been received by Sedermera Fondkommission.

### Subscription without preferential rights

An application for subscription for shares without preferential rights is to be made on the form "Subscription without Subscription Rights" available for downloading from Sedermera Fondkommission's website ([www.sedermera.se](http://www.sedermera.se)) or at the website of PEXA AB ([www.pexa.se](http://www.pexa.se)).

Nominee-registered shareholders, requesting subscription of shares without preferential right, must coordinate such a subscription with the account-holding bank or broker in accordance with instructions from the respective account-holding bank or broker, or if shares are registered at several different nominee-registered accounts, from each of these account-holding banks or brokers. Note that shareholders or other investors who have an account with specific rules for securities transactions, such as an investment savings account (Swedish: Investeringsparkonto) or endowment account (Swedish: Kapitalförsäkring), must check with the account-holding bank or broker, whether, and if so, the subscription of shares in the rights issue is possible. The subscription shall, in that case be made in accordance with instructions received from the account-holding bank or broker.

Incomplete or incorrectly filled in subscription forms may be disregarded. It is only permissible to submit one (1) subscription form "Subscription without Subscription Rights." In the event that more than one such subscription form is submitted, only the one last received will be considered, and other such subscription forms will thus

be disregarded. The subscription form must be Sedermera Fondkommission at hand no later than November 28th, 2019, at 3 p.m. The subscription is binding.

#### **Allocation of shares subscribed for without preferential right**

In the event that not all shares, of series B, in the rights issue are subscribed for with preferential right, the Board of Directors shall decide on allocation of shares within the limits of the maximum amount of the rights issue to shareholders or other investors that have subscribed for shares without preferential right.

a) allocation of shares which are subscribed for without preferential right shall be done to shareholders or other investors who have also subscribed for new shares by exercising subscription rights, regardless if the subscriber was a registered shareholder on the record date or not. In case that allocation of shares cannot fully be provided in accordance to subscriptions without subscription rights, allocation shall be made in relation (pro rata) to the quantity of subscription rights exercised for subscription of new shares in the rights issue, and to the extent this is not possible, by drawing of lots.

b) allocation of shares which are subscribed for without preferential right shall be done to other investors than the above mentioned, who have subscribed for shares without subscription rights. In case that allocation of shares cannot fully be provided in accordance to subscriptions without subscription rights, allocation shall be made in relation (pro rata) to the amount of subscribed for shares without subscription rights in the rights issue, and to the extent this is not possible, by drawing of lots.

c) the allocation of shares shall be made to the underlying guarantors in proportion to the size of the guarantee commitments made.

Notification of allotment of shares without preferential rights will be made via a settlement note containing payment instructions for allotted shares. Settlement notes are expected to be sent out as soon as possible after the subscription period, and payment must be made in accordance with the payment instructions on the settlement note. Payment is due within four Swedish business days from the date the settlement note was distributed. Note that payment for any allotted shares will not be drawn from the specified book-entry account. If payment is not received in due time, the subscribed for shares may be assigned to another party. Should the price by such an assignment be lower than the subscription price of the rights issue, the subscriber who initially was allocated these shares may vouch for all or a part of the difference. Shareholders or other investors that are not allotted any shares will not receive any notification.

#### **Shareholders residing outside of Sweden**

Shareholders who reside outside of Sweden (with the exception of shareholders residing in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation in the rights issue requires supplementary prospectus, further registration or other measurements than those which are required by Swedish legislation) who have preferential right in the rights issue can contact Sedermera Fondkommission for further information about subscription and payment. Due to restrictions in the legislation regarding securities in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation requires supplementary prospectus, further registration or other measurements than those which are required by Swedish legislation, subscription rights through Euroclear will not be issued to shareholders with registered addresses in any of these countries. Accordingly, no offer is made to subscribe for shares in PEXA AB to shareholders residing in these countries.

#### **BTA's – Paid and subscribed for shares**

Subscription via payment is registered with Euroclear as soon as feasible, which normally means a few banking days after payment is made. Thereafter, the subscriber will receive a securities depository account notification confirming that the registration of Paid Subscribed Shares of series B (BTA B) has occurred in the subscriber's securities depository account. Subscribed shares are entered as BTAs in the securities account until the preferential rights issue has been registered with the Swedish Companies Registration Office.

Shareholders who have their holdings in a custodial account at a bank or brokerage firm will receive information from their respective custodian.

#### **Partial registration of shares**

Under the Swedish Companies Act, under certain conditions a part of the rights issue may be registered with the Swedish Companies Registration Office. If this possibility of partial registration is used in the present new issue, several series of BTA B will be issued, the first series being called "BTA B 1" in the VPC system. BTA B 1 will be converted into shares as soon as a first possible partial registration has taken place. A second series of BTA B ("BTA B 2") will be issued for subscription and payment which occurred at such time that subscribed and paid shares could not be included in the first registration and converted into shares as soon as the rights issue is finally registered, which is expected to occur at the end of December 2019.

#### **Trading in BTA's**

Trading in BTA B's will take place on Spotlight Stock Market from the 14th of November 2019 until the rights issue is registered at the Swedish Companies Registration Office. Subscribed for shares, of series B, are entered as BTA B 1 and 2 in the securities depository account until the preferential rights issue has been registered with the Companies Registration Office, which is expected to take place at the end of December 2019.

#### **Delivery of shares**

As soon as the rights issue has been registered with the Swedish Companies Registration Office, BTA B is rebooked to B-shares without special notification from Euroclear.

#### **Publication of the result of the rights issue**

As soon as possible after the subscription period, PEXA AB will publish the result of the rights issue through a press release.

#### **Applicable legislation**

The shares are issued pursuant to the Swedish Companies Act (2005:551) and is governed by Swedish law.

#### **Right to dividend**

The new shares entail the right to any dividend for the first time on the first record date of dividend which occurs after the new shares are registered at the Swedish Companies Registration Office. The new shares carry the same right to dividend as existing shares.

#### **Register of shareholders**

PEXA AB is a Euroclear reconciliation company. The company's share register with information about shareholders is handled and accounted by Euroclear with address Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

#### **Shareholder rights**

The shareholders' right to dividend, voting right, preferential right of shares is governed by both PEXA AB's articles of association (available via the web page of PEXA AB), as well as the Swedish Companies Act (2005:551).

#### **Trading in the share**

The shares, of series B, of PEXA AB are listed on Spotlight Stock Market. The shares are traded under the short name "PEXA B" and have the ISIN-code SE0007412374. The new B-shares will be admitted to trading in connection with that conversion of BTA B to (regular) B-shares occurs.

#### **Issuing agent and adviser**

Sedermera Fondkommission is the issuing agent and financial adviser of PEXA AB.

#### **Other**

The Board of Directors in PEXA AB reserves the right to extend the subscription period and the payment deadline in the rights issue. The subscription of new shares with or without preferential right are binding.

In the case an excess amount has been paid by a subscriber for the new shares, the excess amount will be repaid to the subscriber. Excess amounts less than 100 SEK will not be refunded.

The Board of Directors is not entitled the right to withdraw the offer.