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Press Release 17 March 2020

IRRAS' Board of Directors resolves on a fully underwritten rights issue of approximately SEK 217 million

The Board of Directors of IRRAS AB (publ) (“**IRRAS**” or the “**Company**”) (Nasdaq First North Premier Growth Market: IRRAS) has resolved, supported by the issue authorization granted by the Extraordinary General Meeting held on the 2 March 2020, to carry out a share issue of approximately SEK 217 million with preferential rights to the Company's existing shareholders (the “**Rights Issue**”).

Summary

- The net proceeds from the Rights Issue will primarily be used to finance the continued commercialization of the Company's products, *IRRAflow* and Hummingbird, general corporate purposes and minor product development
- IRRAS has received subscription undertakings corresponding to approximately 25 percent of the Rights Issue from existing shareholders. The Company's larger shareholders Lexington Holding Assets Ltd and Bacara Holdings Limited¹, the Fourth Swedish National Pension Fund and Carl-Olof and Jenz Hamrin's Foundation all have, in addition to entering into subscribing undertakings for their pro rata share, also committed to underwrite an amount of SEK 129 million in the Rights Issue², subject to customary conditions
- The remaining part of the Rights Issue is underwritten by several external investors
- Shareholders in IRRAS have preferential right to subscribe for thirteen (13) new shares per every ten (10) existing shares
- The subscription price is SEK 5.80 per share, which amounts to proceeds of approximately SEK 217 million before deduction of transaction related costs, provided that the Rights Issue is fully subscribed
- The record date for participation in the Rights Issue is 24 March 2020. The subscription period in the Rights Issue is expected to commence on 26 March 2020 and close on 9 April 2020

Background and intention

IRRAS is a medtech company focused on delivering innovative medical solutions for those suffering from brain injuries and intracranial bleeding. IRRAS designs, develops and commercializes products to improve patient outcomes and decrease the overall cost of care by addressing complications associated with current treatment methods in neurocritical care. IRRAS markets and sells its products to hospitals worldwide through its direct sales organization in the US and select European markets and through a network of distribution partners in other markets.

IRRAS' product portfolio consists of the Company's original product *IRRAflow* as well as the Hummingbird ICP Monitoring product line which was acquired in Q2 2019. *IRRAflow*, an FDA cleared and CE-marked, fully integrated, closed-end system that enables both intelligent intracranial draining and real-time monitoring of intracranial pressure. The Hummingbird ICP Monitoring

¹ Lexington Holding Assets Ltd (BVI) and Bacara Holdings Limited are controlled by Marios Fotiadis together with related parties.

² Lexington Holding Assets Ltd (BVI) and Bacara Holdings Limited commits to underwrite SEK 100 million, the Fourth Swedish National Pension Fund SEK 19 million and Carl-Olof and Jenz Hamrin's Foundation SEK 10 million.



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product line includes 10 (ten) FDA-cleared products that help doctors diagnose and manage intracranial pressure for patients with a traumatic brain injury, subarachnoid hemorrhage and/or stroke. The combination of IRRASflow and Hummingbird creates a unique product portfolio and given its strong patent-protection, IRRAS has the potential to establish itself as a leading player within neurocritical care.

On 19 December 2019, the Company received CE-mark recertification for the IRRASflow catheter in the European Union (EU) and during Q4 2019, the Hummingbird product line was launched in the US. Going forward the Company's focus lies on broadening the use of the products.

The Board of Directors has resolved to carry out a Rights Issue to ensure continued and successful development of the Company, in accordance with its business plan and strategy. The intention with the Rights Issue is primarily to finance the continued commercialization of the product portfolio, general corporate purposes and minor product improvements. Furthermore, IRRAS intends to strengthen its sales and marketing organization to increase the awareness as well as establish, maintain and develop relations with potential customers in markets that the Company considers as interesting. IRRAS has, with regards to the prospectus to be prepared for the Rights Issue, decided to bring forward the publication of the annual report for 2019 to 20 March 2020.

Subscription undertakings and guarantee commitments

IRRAS has received subscription undertakings amounting to approximately 25 percent of the Rights Issue from existing shareholders. The Company's larger shareholders Lexington Holding Assets Ltd and Bacara Holdings Limited³, the Fourth Swedish National Pension Fund and Carl-Olof and Jenz Hamrin's Foundation all have, in addition to subscribing for their pro rata share in the Rights Issue, also committed to underwrite an amount of SEK 129 million in the Rights Issue⁴. The remaining part of the Rights Issue is underwritten by several external investors.

Terms and expected timetable for the Rights Issue

Pursuant to the terms of the Rights Issue, IRRAS' existing shareholders will have preferential rights to subscribe for new shares in line with the shares owned per the record date 24 March 2020. For each share held on the record date, shareholders will receive one (1) subscription right. Ten (10) subscription rights entitles to subscription for thirteen (13) new shares. Application for subscription without subscription rights will also be possible.

The subscription price for the Rights Issue is SEK 5.80 per share. Provided that the Rights Issue is fully subscribed, IRRAS will receive approximately SEK 217 million before the deduction of transaction costs. The Company will issue of a maximum of 37,463,366 shares. The number of shares in IRRAS after the Rights Issue will amount to a maximum of 66,281,340 shares.

The subscription period will run from 26 March 2020 up until 9 April 2020. Trading of subscription rights will take place on Nasdaq First North Premier Growth Market and run from 26 March 2020 up until 7 April 2020.

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Shareholders who choose not to participate in the Rights Issue will have their shareholding diluted by approximately 57 percent, but are able to compensate financially for this dilution by selling their subscription rights.

More information on the Rights Issue and the Company can be found in the prospectus, which is expected to be published on or about 24 March 2020.

The timetable below for the Rights Issue is preliminary and may be subject to changes. Any changes will be publicly announced through press releases.

20 Mar	Last day of trading in shares including the right to participate in the Rights Issue
24 Mar	Record date for participation in the Rights Issue i.e. shareholders registered in the share register as of this date will receive subscription rights that allow the shareholder to participate in the Rights Issue
24 Mar	Expected date for publishing of the prospectus
26 Mar – 7 Apr	Trading in subscription rights
26 Mar – 9 Apr	Subscription period
26 Mar – 16 Apr	Trading in interim shares (BTA)
15 Apr	Expected date for publishing the outcome of the Rights Issue

Advisors

Carnegie Investment Bank is acting as Global Coordinator and Joint Bookrunner in the transaction while Pareto Securities is acting as Joint Bookrunner. Setterwalls Advokatbyrå is acting as legal adviser.

About IRRAS

IRRAS maintains its headquarters in Stockholm, Sweden, with corporate offices in Munich, Germany, and San Diego, California, USA. For more information, please visit www.iras.com.

IRRAS AB (publ) shares are traded on Nasdaq First North Premier Growth Market (ticker: IRRAS). Redeye AB is certified adviser of the company with email certifiedadviser@redeye.se or phone +46 8 121 576 90.

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This information is information that IRRAS is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact person above, on 17 March 2020 at 07:30 (CET).

Important Information

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constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction where such offer would be considered illegal. This press release does not constitute an offer to sell or an offer to buy or subscribe for shares issued by the Company in any jurisdiction where such offer or invitation would be illegal. In a member state within the European Economic Area (“EEA”), shares referred to in the press release may only be offered in accordance with applicable exemptions under the Prospectus Regulation.

This press release does not constitute or form part of an offer or solicitation 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 exemption from registration under the US Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within 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 the 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, within or into the United States, Canada, Japan, South Africa or Australia, or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

A prospectus regarding the Rights Issue described in this release will be published by the Company on or about 24 March 2020. This release is however not a prospectus in accordance to the definition in the Prospectus Regulation. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an advertisement. Complete information regarding the Rights Issue can only be obtained through the Prospectus. IRRAS 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 Joint Bookrunners. The Joint Bookrunners are 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 Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing



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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 IRRAS 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 IRRAS may decline and investors could lose all or part of their investment; the shares in IRRAS offer no guaranteed income and no capital protection; and an investment in the shares in IRRAS 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 IRRAS.

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