

IRLAB increases its liquidity with a loan facility of up to SEK 55 million that extends financial runway and increases business opportunities

Gothenburg, Sweden, December 22, 2023 – IRLAB Therapeutics AB (Nasdaq Stockholm: IRLAB A), a company discovering and developing novel treatments for Parkinson's disease, today announced that the company has entered into a loan agreement of up to SEK 55 million issued by Formue Nord Fokus A/S.

Background and rationale for the loan

IRLAB has a world-leading portfolio of drug candidates aiming to transform the lives of people living with Parkinson's disease and other neurological diseases. The portfolio has developed exceedingly well in the last year and presents several potential transformative and value-creating possibilities during the coming 12-18 months. This liquidity injection increases IRLAB's ability to strengthen the position of the development projects and in the ongoing business development activities to enter sound agreements with licensors, partners or collaborators for the drug candidates across the portfolio.

"We are on the precipice of several value inflection points across our portfolio in the upcoming 12-18 months. To capitalize on these possibilities, increased liquidity is crucial. The loan is therefore a rational, important, and integral part of IRLAB's strategy to have a capital structure that increases shareholder value while considering the company's current risk level. We are also pleased to be able to present a financing solution with limited dilution for our shareholders," said Viktor Siewertz, CFO, IRLAB.

"This is a financing solution that will provide the company with an extended financial runway to enable us to be better positioned in the ongoing discussions with potential partners for our development programs," said Gunnar Olsson, CEO, IRLAB.

Loan terms

The loan amounts to a total of up to SEK 55 million and is divided into two tranches. The first tranche of SEK 30 million is paid out upon signing of the loan agreement, and the second tranche, SEK 25 million, can be drawn between May 22 and August 22, 2024, at IRLAB's discretion under the condition that IRLAB's market capitalization exceeds SEK 550 million at the time. The loan matures for payment on May 22, 2025. The lender has the right to convert SEK 10 million of the loan to shares at a share price corresponding to 130 per cent of the the volume-weighted average price during 10 trading days preceding the date of signing of the loan agreement. The loan is subject to a set-up fee of 5 percent of the loan facility and carries an annual interest rate of STIBOR 3M + 10

percent of the outstanding loan amount and will be paid at the end of each calendar quarter. IRLAB has the right to repay the loan at any time without any redemption fee. The Board and company have assessed the loan terms as market competitive and consider taking the loan to be in the best interest of both the company and its shareholders.

For more information

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This information is information that IRLAB Therapeutics is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-12-22 16:45 CET.

About IRLAB

IRLAB is discovering and developing a portfolio of transformative therapies targeting all stages of Parkinson's disease. The company has its origin in Nobel Laureate Prof. Arvid Carlsson's research group and the discovery of a connection between the brain's neurotransmitters and CNS disorders. Mesdopetam (IRL790), in development for the treatment of levodopa-induced dyskinesias, has completed Phase IIb and is in preparation toward Phase III. Pirepemat (IRL752), is currently in Phase IIb, being evaluated for its effect on balance and fall frequency in Parkinson's disease. In addition, the company is also progressing the three preclinical programs IRL942, IRL757, and IRL1117 towards Phase I studies. The pipeline is driven by IRLAB's proprietary systems biology-based Integrative Screening Process (ISP) research platform. Headquartered in Sweden, IRLAB is listed on Nasdaq Stockholm (IRLAB A). For more information, please visit www.irlab.se.

Attachments

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