



INVITATION TO SUBSCRIBE FOR SHARES IN STAYBLE THERAPEUTICS AB

IMPORTANT INFORMATION

The following summary is not an offer but is to be seen as an introduction to Stayble Therapeutics AB's ("Stayble") prospectus and does not necessarily contain all information for an investment decision to be made. The investor is advised to consult the prospectus which is available on Stayble's website (www.staybletherapeutics.com), before making an investment decision to take note of the potential risks associated with the decision to invest in the securities. Stayble Therapeutics AB, org.no 559024-8372.

STAYBLE THERAPEUTICS – DEVELOPING THE FUTURE OF BACK PAIN TREATMENT

Stayble's vision is to be able to provide patients with a simple and effective treatment that addresses the underlying cause of chronic disc-related back pain while providing lasting relief and increased function.

Stayble was founded in 2015 and is the developer of STA363, an injection treatment for chronic disc-related back pain. The disease is currently treated predominantly using conservative methods such as painkillers and physiotherapy. Around 30 per cent of patients who are treated get better in the long term thanks to this treatment method, while the rest continue to experience pain.¹ Around one per cent of patients qualify for spinal surgery, leaving about 70 per cent of back pain patients without any effective treatment.² There is a significant need for new treatments, particularly among the many doctors who have no way of helping their patients at the moment. STA363 is being developed to treat people suffering from chronic disc-related back pain who have tried conservative treatment with no improvement after six months. By helping these patients, Stayble is expected to improve individual quality of life drastically, while also reducing the societal burden from high rates of sick leave and the use of painkillers.

The company has successfully conducted a Phase 1b trial that tested three different doses of STA363 and placebo. The results of the trial were positive, with good safety and tolerability as well as the desired biological effect. A Phase 2b trial was started in summer 2020 to confirm the safety and tolerability of STA363 and to demonstrate a reduction in pain and an increase in function. The trial will include approximately 100 evaluable patients divided into three different groups, of which two will have been treated with STA363 and one with placebo. Patients receive an injection and are then monitored for a period of 12 months. The trial has been initiated in all three trial countries: the Netherlands, Russia and Spain. Positive results in Phase 2b are expected to lead to a good chance of entering into collaborations with potential partners with access to greater resources, who can bring the project forward with more extensive Phase 3 trials and through to market authorisation and launch.

In order to complete the clinical Phase 2b trial, Stayble is now carrying out a preferential rights issue of approximately SEK 41.5 million (before issue costs). The capital is expected to allow Stayble

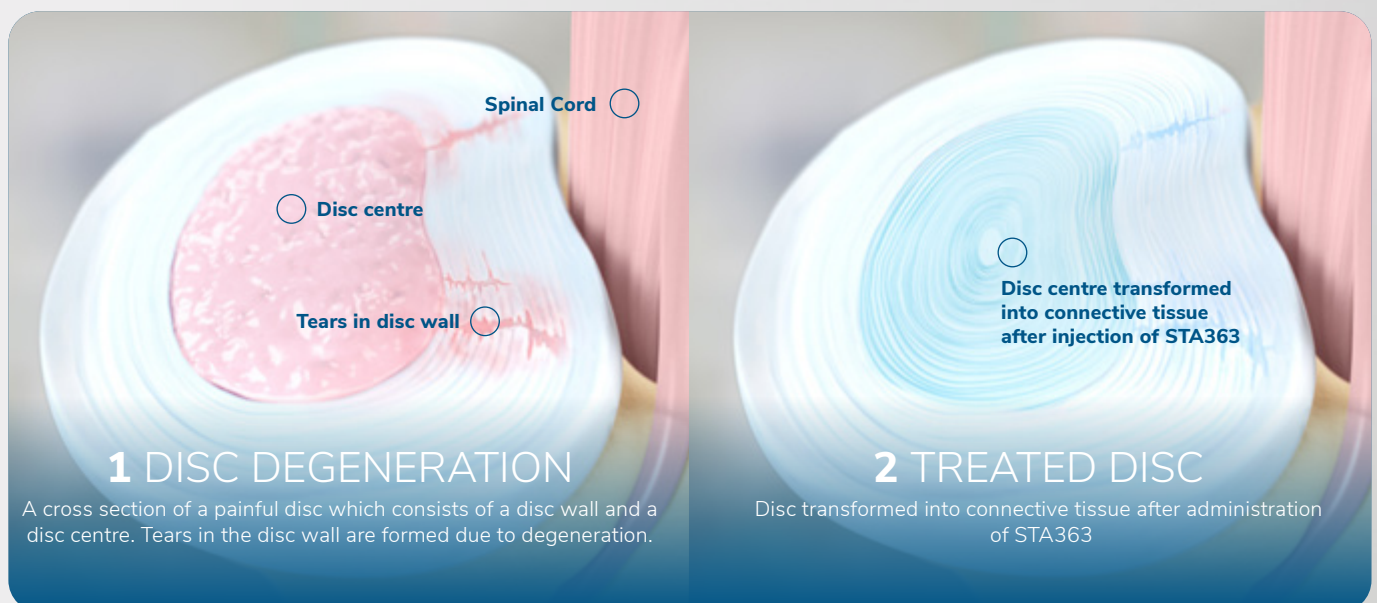
to continue maintaining a high rate of development in line with the targets it has set itself, and to deliver the final report for the Phase 2b trial in the course of 2022. The company has received subscription commitments and guarantee commitments (top-down guarantees) equivalent to a total of 84 per cent of the issue volume.

DRUG CANDIDATE STA363

STA363 addresses the two primary causes of chronic disc-related back pain: leakage of inflammatory substances and instability in the disc. The treatment's mechanism of action is to stabilise the disc segment and eliminate the possibility of disc leakage. Figures 1 and 2 show a painful disc before and after treatment. The drug candidate is being developed to permanently reduce the patient's back pain by means of an X-ray-guided injection into the painful spinal disc. It is expected to be able to treat up to three discs simultaneously. The treatment is expected to take effect within three months and only requires short-term limitation of physical activity after the injection. STA363 is based on lactic acid, which is well documented as a safe substance.

MARKET

In the USA, Japan and the EU5, which are Stayble's primary markets, there are around 100 million patients suffering from chronic disc-related pain caused by degenerative disc disease³. Of these, approximately 30 per cent are expected to be treatable with STA363, meaning there are currently around 30 million treatable patients. The number of treatable patients is then expected to increase by 3.5 million each year, based on a global incidence of 11.5 million patients annually³.



1. Fritzell et al A. 2001 Volvo Award Winner in Clinical Studies: Lumbar fusion versus nonsurgical treatment for chronic low back pain: a multicenter randomized controlled trial from the Swedish Lumbar Spine Study Group. *Spine (Phila Pa 1976)*. 2001;26(23):2521-2524

2. *BMJ* 2015;350:g6380

3. *Epidemiology, Chronic low back pain – Decision Resources Group, published 31 July 2020*

OBJECTIVES

Stayble is operated as a modern pharmaceutical development company with a virtual organisation, and procures expertise from external partners. A positive outcome of the ongoing Phase 2b trial is that the company can demonstrate statistically and medically relevant pain relief and increased function following treatment with STA363, which the executive board believes provides a good chance of entering into collaborations with potential partners who have access to greater resources, who can bring the project forward into final clinical development and through to market authorisation and launch. The company's objective is to deliver the final report for the Phase 2b trial during 2022. After Phase 2b, the company's ambition is to work with a highly resourced partner to drive development through clinical Phase 3 trials and then market the treatment. Because there are still no effective approved treatments at present, the board believes that Stayble has the potential to be the first to market an effective drug for chronic disc-related back pain. The company has the following overall objectives for the near future:

2021

- **H1** – Recruitment of all patients for the company's ongoing Phase 2b trial
- **H2** – Presentation of blinded interim results from the Phase 2b trial, primarily relating to safety and tolerability
- **Full year** – Intensified work on building relationships with potential partners

2022

- **H1** – Presentation of the top-line results relating to pain and function from the Phase 2b trial
- **H2** – Presentation of final results from Phase 2b
- **Full year** – Initiate more in-depth partnership discussions

THE OFFER IN SUMMARY

Subscription period: 3 – 17 February 2021.

Subscription price: SEK 6.00 per new share.

Issue volume: The offer comprises up to maximum 6,923,462 shares, corresponding to approximately SEK 41.5 million.

Record date and preferential right: Those who on the record date, the 29th of January 2021, were registered as shareholders in Stayble own preferential right to subscribe for shares in the rights issue. For each existing share, one (1) subscription right is received. Each subscription right entitles the holder to subscribe for one (1) new share. The last day of trading in the share, including the right to receive subscription rights, was the 27th of January 2021. The first day for trading in the share, excluding the right to receive subscription rights, was the 28th of January 2021.

Number of shares before the rights issue: 6,923,462 shares.

Valuation (pre-money) in the current offer: Approximately SEK 41.5 million.

Subscription and guarantee commitments: The Company has received subscription and guarantee (top-down) commitments corresponding to a total of approximately 84 percent of the rights issue. The guarantee commitment is a so-called "Top-down guarantee" or "top guarantee", which means that if the rights issue is subscribed for, for example, 80 per cent, a guarantee subscription is executed only for the remaining 20 per cent up to a fully subscribed issue. The guarantee commitment is thus added to the current subscription level and intends to secure the last subscription in the new share issue.

Trading in subscription rights: Subscription rights will be traded on Nasdaq First North Growth Market during the period 3 - 15 February 2021.

Trading with BTA: Trading with BTA (Paid Subscribed Share) will take place on Nasdaq First North Growth Market as of the 3rd February 2021 and will continue until the Swedish Companies Registration Office has registered the rights issue. This registration is expected to take place in mid-March 2021.

Dilution: In the event of a fully subscribed rights issue, the number of shares will increase by 6,923,462, which corresponds to a maximum dilution of 50 percent of the votes and capital for existing shareholders who do not subscribe for shares in the rights issue.



Andreas Gerward
CEO, Stayble Therapeutics AB

CEO ANDREAS GERWARD COMMENTS

A lot has happened at Stayble since our IPO in March 2020. Above all, we have reached our most important milestone to date in the development of our drug candidate STA363 in that we now have an ongoing Phase 2b trial. Despite a tumultuous 2020, we are proud that the Phase 2b trial began with no significant problems, with ethical and regulatory approvals in all three countries, clinics started up and ongoing patient recruitment. Above all, we are proud that the first patients in the trial have been treated either with STA363 or with placebo.

We have also reached significant scientific milestones with a publication in the highly reputable journal "Spine", presentations at scientific conferences and discussions with key opinion leaders. We know that the need for and interest in new treatments is great – not least in the United States, where we recently welcomed two pain experts to our scientific council. For Stayble it was also an important seal of quality to have experts who meet patients with chronic back pain every day express confidence in our technology and STA363. Medical innovation is important and we are driven by the possibility that we could offer a completely new, effective treatment for chronic disc-related back pain in the future.

Today we are still facing global uncertainty related to the Covid-19 pandemic and the continued financing of the Phase 2b trial, the intention having been that the warrants we issued with our IPO would finance the continued development plan. We are currently carrying out a preferential rights issue so that we can complete, process and deliver the results of the Phase 2b trial within the desired time frame. The issue proceeds will allow us to complete

and process the results of the Phase 2b trial, while also giving us the opportunity to initiate discussions with potential partners who have the financial resources to bring the project forward with clinical Phase 3 trials and through to market authorisation. This means we are looking forward to continuing to deliver key milestones linked to our clinical Phase 2b trial, and building and maintaining relationships with potential partners so that we can initiate more in-depth partnership discussions closer to the end of the Phase 2b trial in 2022.

I have been with the company throughout this journey, from idea to preclinical phase and early clinical studies and all the way to where we are today. The journey has been a fascinating one and I am looking forward to guiding Stayble through the next crucial stage together with my colleagues, new and existing shareholders and our partners. If we successfully demonstrate an effect in the ongoing Phase 2b trial, we have the potential to be the first to market a treatment that could completely change how we treat chronic disc-related back pain, which could reduce the suffering of millions of patients.

TERMS AND CONDITIONS

THE OFFER

The Board of Directors in the Company decided the 18 December 2020, with an authorization from the general meeting the 8 June 2020, to increase the share capital in the Company with a maximum of SEK 900,050.06 through a rights issue of maximum 6,923,462 shares, each with a nominal value of SEK 0.13 per share. The public has the possibility to subscribe for shares in the rights issue. The total issue amount will amount to a maximum of SEK 41,540,772.00.

The rights issue will be of maximum 6,923,462 shares. One (1) existing share in the Company will entitle to one (1) subscription right. One (1) subscription right will entitle the owner to subscribe for one (1) new share. The price per share is SEK 6.00.

DILUTION

Through the rights issue of shares, the Company's share capital will increase with a maximum of SEK 900,050.06, through the issuing of a maximum of 6,923,462 shares. This equals approximately 50 percent of the votes and capital in the Company. Shareholders can compensate financially for the dilution by disposing their subscription rights.

PREFERENTIAL RIGHT FOR SUBSCRIPTION

Parties who on the record date 29 January 2021 were shareholders in the Company, have preferential right to subscribe for shares in the rights issue in relation to their previous shareholdings, whereby one (1) existing share entitles to one (1) subscription right. One (1) such subscription right entitles the holder to subscribe for one (1) new share.

SUBSCRIPTION PRICE

The subscription price is SEK 6.00 per share. No brokerage fee will be charged.

RECORD DATE

Record date in Euroclear Sweden AB ("Euroclear") for participation with preferential right was 29 January 2021. The last day of trading with shares in the Company including preferential right was on 27 January 2021. The first day of trading with shares in the Company without preferential right was 28 January 2021.

SUBSCRIPTION PERIOD

The subscription period for shares starts on 3 February 2021 and ends on 17 February 2021. 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 a specific notification from Euroclear.

TRADING WITH SUBSCRIPTION RIGHTS

Trading in subscription rights will take place on Nasdaq First North Growth Market from 3 February 2021 until 15 February 2021. Shareholders shall contact their bank or other nominee with the necessary authority to carry out the purchase or sale of subscription rights directly. 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 shareholding in the Company on the record date. Subscription rights must be exercised no later than 17 February 2021 or sold no later than 15 February 2021, in order to not become void or lose their value.

PREPRINTED PAYING SLIPS AND SUBSCRIPTION FORMS

Shareholders directly registered in Euroclear

Shareholders or representatives of shareholders, who on the record date 29 January 2021, 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 and conditions for the rights issue with referral to the prospectus and a money laundering form. The information can be downloaded at Sedermera Fondkommission's website (www.sedermera.se), Nordic Issuing's website (www.nordic-issuing.se) or at the website of the Company (www.staybletherapeutics.se). Shareholders who are included in the separate list of pledgees and others in relation to Euroclear's system do not receive information and will be notified separately. An account notice, which declares the delivery of subscription rights on the shareholder's book-entry account, are not distributed.

Shareholders registered with a trustee

Shareholder whose holdings of shares in the Company 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 prospectus. Subscription and payment shall instead be made in accordance with instruction from the respective bank or trustee. Please note that if the use of subscription rights takes place via a bank or 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 WITH PREFERENTIAL RIGHT

Subscription with the support of subscription rights shall be made by simultaneous cash payment no later than 17 February 2021. Subscription by payment must be made either with the prepaid payment slip attached to the account statement or by payment instruction on the subscription form in accordance with the following two options:

1. Preprinted paying slip-account statement

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

2. Subscription form with subscription rights

If a different number of subscription rights than what is stated on the pre-printed paying slip shall be exercised, for example, if subscription rights are acquired or sold, the subscription form "Subscription with subscription rights" shall be used for subscription by means of cash payment. The shareholder 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 shall be paid. Incomplete or incorrectly filled out subscription forms may be disregarded. The subscription form "Subscription with subscription rights" can be downloaded at Sedermera Fondkommission's website (www.sedermera.se) or Nordic Issuing's website (www.nordic-issuing.se). A complete subscription form must, in connection with cash payment, be sent to, and received by Nordic Issuing no later than 17 February 2021, on the contact details stated below. The subscription is binding.

Subject: Stayble Therapeutics AB

Nordic Issuing

Norra Vallgatan 64

211 22 Malmö, Sweden

Phone: 040-632 00 20

E-mail: info@nordic-issuing.se (scanned subscription form)

SUBSCRIPTION ABOVE 15,000 EUR IF APPLICABLE

If the subscription amounts to, or exceeds EUR 15,000.00, a money laundering form shall be completed and sent to Nordic Issuing in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. Please observe that Nordic Issuing cannot distribute any securities, even if payment have been received, before the money laundering form has been received by Nordic Issuing.

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHT

A subscription of shares without preferential rights is to be made on the form "Subscription without subscription rights" available for downloading at Sedermera Fondkommission's website (www.sedermera.se), Nordic Issuing's website (www.nordic-issuing.se) and at the website of Company (www.staybletherapeutics.se). Subscription can be made electronically with BankID at www.nordic-issuing.se.

Nominee-registered shareholders, requesting subscription of shares without preferential right, must coordinate such a subscription with the account-holding bank in accordance with instructions from the respective account-holding bank, or if shares are registered at several different nominee-registered accounts, from each of these account-holding banks or nominees. Subscription can also be made via the subscription form "Subscription without subscription rights". Note that shareholders or other investors who have an account with specific rules for securities transactions, such as an investment savings account (Sw. Investeringssparkonto) or endowment account (Sw. 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 out subscription forms may be disregarded. It is only permissible to submit one (1) subscription form "Subscription without subscription rights." If more than one such subscription form is submitted, only the one last received will be considered, and other such subscription forms will be disregarded. The subscription form must be Nordic Issuing at hand no later than 17 February 2021. The subscription is binding.

ALLOCATION OF SHARES SUBSCRIBED FOR WITHOUT PREFERENTIAL RIGHT

If not all shares 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.

Firstly, allocation of shares which are subscribed for without preferential right shall be made to shareholders or other investors who have also subscribed for shares by exercising subscription rights, regardless of 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 with subscriptions without subscription rights, allocation shall be made in relation (pro rata) to the quantity of subscription rights exercised for subscription of shares in the rights issue, and to the extent this is not possible, by drawing of lots.

Secondly, allocation of shares which are subscribed for without preferential right shall be made 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.

Thirdly, the allocation of shares shall be made to the guarantors in proportion to the size of the guarantee commitments made, and to the extent this is not possible, by drawing of lots.

Notification of allotment of shares without preferential rights will be made via a settlement note sent by e-mail. 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 due within four Swedish business days. Note that payment for any allotted shares will not be withdrawn from the specified securities 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 Nordic Issuing 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 the Company to shareholders residing in these countries.

PAID AND SUBSCRIBED SHARE (BTA)

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 Share (BTA) has occurred in the subscriber's securities account. Subscribed for shares are entered as BTA's in the securities account until the rights issue has been registered with the Swedish Companies Registration Office.

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

TRADING IN BTA

Trading in BTA's will take place on Nasdaq First North Growth Market from 3 February 2021 until the rights issue is registered at the Swedish Companies Registration Office. Subscribed for shares are entered as BTA in the securities depository account until the rights issue has been registered with the Companies Registration Office, which is expected to take place in the middle of March 2021.

DELIVERY OF SHARES

As soon as the rights issue has been registered with the Swedish Companies Registration Office, which is expected to take place in the middle of March 2021, BTA is rebooked to shares without special notification from Euroclear.

PUBLICATION OF THE OUTCOME OF THE RIGHTS ISSUE

Publication of the outcome in the rights issue is scheduled to 22 February 2021 through a press release, or as soon as possible after the subscription period ends.

TRADING IN THE SHARE

The shares of the Company are listed on Nasdaq First North Growth Market. The shares are traded under the short name "STABL" and have the ISIN-code SE0013513652. The new shares will be admitted for trading when the conversion of BTA to shares takes place.

OTHER

The board of directors in the Company has 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 is 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 SEK 100 will not be refunded.

The board of directors is not entitled the right to withdraw the offer.