

Update: Report Q4 2024

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CombiGene: Making place for new ventures

- All research activities discontinued
- Notice of an extraordinary general meeting on February 20, 2025
- Q&A with chairman Luca Di Stefano

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Stock ticker:	COMBI
Industry:	Biotech
Listed on:	Nasdaq First North
Latest share price (SEK):	2.32
Market cap (MSEK):	45.9
Enterprise Value (MSEK):	NA
Total number of shares (M):	19.8
- of which free float (M):	19.8
Cash per share	
December 31 2024 (SEK)	3.72
Address:	CombiGene Skeppsbron 38 111 30 Stockholm
Webpage:	combigene.com
CEO:	Peter Ekolind
Main owners (Dec 31, 2024)	Capital (%)
Strategic Partners (Orphazyme)	11.75
Nordqvist, Ivar	9.9
Molse, Oliver	8.36
Avanza Pension	5.2
Thoren Tillväxt	2.5
Share price history (SEK)	
	
	COMBI OMXSPI
	-1m -3m -12m
Change (%)	-3.3 -10.1 -29.8
52 w k range (Low /Hi) - SEK	1.47 / 4.27
Source: Västra Hamnen Corporate Finance	

After a strategic evaluation of its operations, **CombiGene's** board decided to discontinue all research activities and lay off personnel.

This means that the company has terminated the agreement with Danish **Zyneyro** regarding the pain project. The board has assessed that the financing need for the COZY project is too extensive for CombiGene to support. Through the cancellation, CombiGene has no rights or obligations related to the project.

Further, CombiGene divested its ownership in **CCRM Nordic**, a non-profit organisation supporting projects within advanced therapy medicinal products, such as gene and cell therapies. The buyer was GU Ventures.

In January, Stockholm-based investment company **Stockslätten**, announced the acquisition of **Strategic Partners'** holding in CombiGene. After the transaction, Stockslätten holds 11.8 per cent of the shares.

In the light of the operational and business changes made, the company has issued a notice of an extraordinary general meeting to be held on February 20, 2025. On the agenda is the election of **Alexander Gradin** as new board member, replacing **Jakob Bendtsen** who represented Strategic Partners.

The EGM will also decide to authorise the board to decide on the issuance of new shares, warrants or convertibles, with or without deviation from the shareholders' preferential rights.

To provide further insights, Västra Hamnen Corporate Finance reached out to the newly appointed chairman **Luca Di Stefano**.

Q&A with chairman Luca Di Stefano:

Firstly, what led to the decision to discontinue all research activities?

- The board's joint assessment, after obtaining input from various experts on the projects CG01 and COZY, concluded that the risks were too great and that significant capital requirements were needed to continue the projects.
- Given the current capital procurement conditions, it is simply not possible to continue with ongoing issues diluting existing shareholders at a lower value - it is a negative spiral.

What is the liquidity position after accounting for the winding-up costs?

- After deducting winding-up costs, the remaining cash balance is estimated to be in the range of MSEK 58-63, corresponding to the range of SEK 2.9 – 3.3 per share. After the rationalisation, CombiGene is expected to achieve a monthly positive financial result, driven entirely by interest rate income.

In January, Stockslätten acquired Strategic Partner's holding in CombiGene. What motivated the deal?

- This is, of course, a question for Strategic Partners and Stockslätten. Reasonably, Stockslätten wants to continue the activities that Strategic Partners initiated, i.e., creating a new CombiGene where returns on capital can be achieved with limited risk.
- The deal itself, I assess to be straightforward, i.e., the Danish company accepted a bid from Stockslätten that was in line with its acquisition value.
- My role as chairman of the board at CombiGene is to safeguard the interests of all shareholders. To me, it is natural that different owners come in and participate during different phases of a company's development.

CombiGene holds a significant amount of cash. How do you plan to utilise these funds?

- Our primary goal is to maximise shareholder value. The preferred strategy is to seek an investment, merger, or partnership - but only under the right conditions. If no suitable opportunity arises, the distribution of cash to shareholders may be considered.

Why is the board seeking authorisation to issue new shares, with or without the shareholders' preferential rights?

- The board is seeking authorisation to issue new shares with or without shareholders' preferential rights to ensure flexibility in the event of an investment opportunity. If the opportunity involves a SPAC or a similar structure, the issuance would still require approval from the general meeting, as it would involve an amendment to the company's business description in the Articles of Association.

What are the criteria for a potential investment/acquisition?

- We are currently exploring opportunities without a specific industry focus. Ideally, we aim for a company that is at least cash-flow neutral.

Finally, what is the expected time plan for presenting a new project?

- This process requires time, and I ask for patience. However, we will present a proposal in due course. As chairman, my primary priority is to preserve the company's value, which includes minimising unnecessary costs.
- We maintain transparency with Nasdaq First North Growth Market and uphold a strong dialogue with shareholders.
- The board sees significant value in CombiGene's cash position, stock listing, and broad shareholder base.

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