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On **February 27, 2020**, Symbio Pharmaceuticals Ltd. announced the issuance of the 50th and 51st stock acquisition rights with exercise price revision clauses and the conclusion of a third-party allotment agreement (commit issue program).

The company agreed with EVO FUND (the allottee) to issue the 50th and 51st stock acquisition rights and to enter with the allottee into a third-party allotment agreement on stock acquisition rights (commit issue program), on condition of becoming effective via notification in accordance with the Financial Instruments and Exchange Act.

#### Summary of subscription

Date of allotment	March 16, 2020
Number of stock acquisition rights	10,000,000 units (50th stock acquisition rights: 7,000,000 units; 51st stock acquisition rights: 3,000,000 units)
Issue price	JPY11mn (50th stock acquisition rights: JPY1.06 per unit; 51st stock acquisition rights: JPY1.04 per unit)
Number of dilutive shares from the issuance	10,000,000 shares (one share per unit; corresponds to a dilution rate of 37.8% against total number of shares outstanding as of December 31, 2019) No maximum exercise price. While the minimum exercise price is JPY291, even at the minimum exercise price, the number of dilutive shares is 10,000,000.
Amount of funding	JPY5,450mn
Exercise price and conditions for revising the exercise price	The initial price is set at JPY547. The initial revision of the exercise price on the 50th and 51st stock acquisition rights will take place on March 17, 2020, and further revisions will take place after the passage of each subsequent five trading-day period. In the event the exercise price is revised, on the next trading day following the fifth trading day counted from the date on which the exercise price was previously revised (the revision date), the exercise price will be revised to an amount obtained by multiplying the simple average value of the volume weighted average price (VWAP) of Symbio's common shares in regular trading announced by the Tokyo Stock Exchange on each trading day for the five consecutive trading days prior to the revision date by 94%. However, the price will be revised to the minimum exercise price if such price falls below the minimum exercise price.
Method for subscription or allotment (allottee)	All of the stock acquisition rights will be allotted to EVO FUND through third-party allotment.

#### Characteristics of the 50th and 51st stock acquisition rights and specific uses of the funds to be raised

- ▷ 50th stock acquisition rights: The exercise period begins on the trading day immediately following issuance. Once the exercise period begins, the allottee shall in principle exercise all of the 50th stock acquisition rights (7,000,000 shares) within 106 trading days. Furthermore, the allottee commits in principle to the exercise of the 50th stock acquisition rights, a number corresponding to 2,800,000 shares or more, within 56 trading days on or after the trading day following the issuance date.
- ▷ 51st stock acquisition rights: The allottee shall in principle exercise all of the 51st stock acquisition rights up to the maximum amount issued within 46 trading days starting from the trading day immediately following the date the company gives an instruction to exercise. The 51st Stock acquisition rights are designed so that it cannot be exercised until the company issues an instruction to exercise. Conditions for issuing an instruction to exercise are that Symbio does not continue to possess undisclosed insider information at the time it issues an instruction to exercise and at the start of the exercise period, and that no portion of the 50th Stock Acquisition Rights is remaining.

	50th stock acquisition rights	51st stock acquisition rights
Number of stock acquisition rights issued	7,000,000 units	3,000,000 units
Total issue price	JPY7mn	JPY3mn

Total exercise price	JPY3,829mn	JPY1,641mn
Expected exercise period (in principle, except if reasons for extension of commitment period occur)	Approximately five months after issuance	Roughly two months from the date specified by Symbio after it issues an instruction to exercise
Number of revisions (revised every five trading days in principle)	Total of 21 (planned)	Total of nine (planned)
Exercise price	94% of simple average value of VWAP of Symbio's common shares in regular trading over five consecutive trading days	
Commitment	Commitment, in principle, to exercise all of the stock acquisition rights issued within 106 trading days (full commitment) Commitment, in principle, to exercise at least 40% of the stock acquisition rights issued within 56 trading days (first-half commitment)	Commitment, in principle, to exercise the complete number of stock acquisition rights specified within 46 trading days
Expected start date of initial exercise	March 17, 2020	To be determined
Expected final date of commitment	Full commitment: August 21, 2020 First-half commitment: June 9, 2020	To be determined

**Specific uses of the funds to be raised**

(JPYmn)	Funds to be raised through the 50th stock acquisition rights	Funds to be raised through the 51st stock acquisition rights	Total amount of funds to be raised	Expected timing of expenditure
Development of in-licensed drugs	2,375	55	2,430	March 2020 to June 2021
Establishment of the company's own salesforce	1,431	54	1,485	March 2020 to June 2021
Investment in new in-licensing and M&A	0	1,535	1,535	October 2020 to June 2021
Total	3,806	1,644	5,450	

**Duty to discuss in case of change in funding requirements due to arbitration award**

Symbio initiated an arbitration against The Medicines Company on October 11, 2017 under the rules of the International Chamber of Commerce, seeking damages of USD82mn (equivalent to approximately JPY9.0bn), arising out of The Medicines Company's repudiation of the license agreement. This arbitration is ongoing.

Hearing procedures commenced in New York in June 2019, and both parties had finished submitting their final documents as of the end of December 2019. Currently, a panel comprising three arbitrators is preparing an arbitration judgment. Assuming typical submission procedures, Symbio expects to receive an arbitration judgment between March and June 2020. The company intends to establish a provision to the effect that it will be able to request the allottee, after discussions with the allottee, not to exercise more stock acquisition rights than a number specified by the company, in case of an award by the arbitration panel, and that the allottee will discuss any such request with Symbio in good faith.

This note is the most recent addition to the [full report](#).

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