

Alzinova's rights issue is heavily oversubscribed

Alzinova AB (publ) ("Alzinova" or the "Company") has ended the issue of Units with pre-emption rights for the Company's shareholders, which was resolved upon by the board of directors on 18 September 2020 on the basis of the authorization from the annual general meeting on 14 May 2020 (the "Rights Issue"). The subscription period ran from and including 30 September 2020 until and including 14 October 2020. Through the Rights Issue, Alzinova receives proceeds amounting to approximately SEK 49.6 million before deduction of costs related to the Rights Issue. 7,265,060 Units, corresponding to approximately 95 per cent of the Rights Issue, were subscribed for by the exercise of subscription rights (including subscription undertakings). Furthermore, 5,945,508 Units were subscribed for without subscription rights, corresponding to approximately 78 per cent of the Rights Issue. In total, the Rights Issue was subscribed for at 173 percent. Guarantee commitments made in connection with the Rights Issue will thus not be utilized. Furthermore, the board of directors has today resolved on a Directed Issue of 508,894 Units, corresponding to approximately SEK 3.5 million, to the guarantors in the Rights Issue as compensation for their guarantee commitments (the "Directed Issue").

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Alzinova carries out the Rights Issue with a focus on financing the clinical development of ALZ-101.

Comment from Alzinova's CEO, Kristina Torfgård

"I would like to give a big thank you to both existing and new shareholders for the trust we have received. It is nice to see the great interest in Alzinova. With the issue proceeds, we now look forward to continuing the work of preparing the drug candidate ALZ-101 for the next step of clinical development and thus make the project even more attractive for partnerships. This is for us an important sub-goal in developing a disease-modifying therapeutic vaccine to treat and also prevent the progression of Alzheimer's disease and thus enable patients to live an independent and active life free from the impact of Alzheimer's disease." - Kristina Torfgård, CEO Alzinova

Outcome

The Rights Issue comprised a maximum of 7,633,415 Units, of which 7,265,060 Units, corresponding to approximately 95 percent of the Rights issue, has been subscribed for by exercise of subscription rights. A total of 5,945,508 Units, corresponding to approximately 78 percent of the Rights Issue, has been subscribed for without use of subscription rights. Thus, 13,210,568 Units, corresponding to approximately 173 percent of the offered Units, has been subscribed for with and without the use of subscription rights. Guarantee commitments made in connection with the Rights Issue will thus not be utilized.

Notification regarding allocation

Allocation of Units has been made in accordance with the allocation principles described in the prospectus that was published in connection with the Rights Issue. A notification regarding allocation of Units subscribed for without subscription rights will be made by post of a contract note to each subscriber. Allocated Units subscribed for without subscription rights shall be paid for in accordance with the instructions in the contract note.

Trading in BTU

Trading in BTU (Sw. betald tecknad Unit) is currently taking place at Nasdaq First North Growth Market ("Nasdaq First North") and will cease when the Rights Issue has been registered by the Swedish Companies Registration Office. BTU:s will then be converted to ordinary shares and warrants.

Resolution on issue of Units to the guarantors in the Rights Issue

The board of directors in the Company has today, on the basis of the authorization from the annual general meeting on 14 May 2020, resolved on the Directed Issue. The Units issued in the Directed Issue each consists of one (1) share and one (1) warrant of series TO2 2020/2022, thereby the Units have the same composition as the Units issued in the Rights Issue. The Units issued in the Directed Issue are paid through set-off against a part of the claim that the guarantors have against the Company for the guarantee commitments in the Rights Issue. The subscription price in the Directed Issue amounts to SEK 6.81, corresponding to the volume-weighted average price for the Company's shares on Nasdaq First North during the subscription period for the Rights Issue with a discount of 15 percent.

The Directed Issue entails an initial dilution of approximately three (3) percent of the total number of shares in the Company after the Rights Issue and the Directed Issue. Upon full exercise of all warrants of series TO2 2020/2022 issued in the Directed Issue, the Directed Issue entails a total dilution of approximately five (5) percent of the total number of shares in the Company after the Rights Issue and the Directed Issue.

Number of shares and share capital

Through the Rights Issue and the Directed Issue, the total number of shares in Alzinova increases to 15,775,724 shares and the share capital increases to SEK 4,149,015.412. The number of warrants of series TO2 2020/2022 will amount to 8,142,309. Upon full utilization of all outstanding warrants of series TO2 2020/2022 the total number of shares in Alzinova increases to 19,846,878 shares and the share capital increases to SEK 5,219,728.914.

Warrants

Two (2) warrants of series TO2 2020/2022 entitles the holder to subscribe for one (1) new share in the Company during the period 24 January – 7 February 2022 at an exercise price corresponding to 70 percent of the volume-weighted average price paid for the Company's share on Nasdaq First North for a period of ten (10) trading days immediately preceding 19 January 2022, however not less than SEK 6.5 and not more than SEK 11.0 per share. Full terms and conditions are available in Alzinova's prospectus on the Company's website (www.alzinova.com).

Advisers

Redeye AB acts as financial adviser, Fredersen Advokatbyrå AB acts as legal adviser and Hagberg Aneborn Fondkommission AB acts as the issuing agent in the Rights Issue.

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This information is information that Alzinova AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 5:31 pm CEST on October 19 2020.

About Alzinova

Alzinova AB is a Swedish biopharma company specializing in the treatment of Alzheimer's disease targeting neurotoxic amyloid- β oligomers. The lead candidate, ALZ-101, is in late preclinical development as a therapeutic vaccine for the treatment of Alzheimer's. Alzinova's proprietary A β CC peptide™ technology enables the development of disease-modifying therapies that target the toxic amyloid- β oligomers involved in the onset and progression of the disease with high precision. Alzheimer's is one of the most common and devastating neurological diseases globally, with of the order of 40 million people afflicted today. In addition, the antibody ALZ-201, in early preclinical development, was generated with the A β CC peptide™ technology and the ambition is to expand the pipeline further. The Company's Certified Advisor on Nasdaq First North Growth Market is Corpura info@corpura.se +46 768-532 822. For more information about Alzinova, please visit: www.alzinova.com

Important information

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This press release may contain certain forward-looking statements which reflect Alzinova's current view of future events and financial and operational developments. Words such as "intends", "estimates", "expects", "may", "plans", "deems", "believes", "assesses", "anticipates", "will", and other similar expressions which imply indications or predictions regarding future developments or trends, and which are not based on historical facts, constitute forward-looking information. Forward-looking information is by nature affiliated with known and unknown risks and uncertainties since it is dependent on future events and circumstances. Forward-looking information does not constitute any guarantee regarding future results or development and the actual outcome may materially differ from forward-looking statements. The information, assessments and forward-looking statements in this press release are only relevant as of the date of this press release and may change without notice.