

The Board of Directors of NextCell Pharma AB resolves on a fully guaranteed SEK 25.1 million rights issue

NextCell Pharma AB ("NextCell" or the "Company") announces that the Board of NextCell Pharma AB has resolved to conduct a fully guaranteed new issue of shares of approximately SEK 25.1 million with preferential rights for the Company's existing shareholders (the "Rights Issue"), subject to approval by an extraordinary general meeting in the Company. The Company's largest shareholder Diamyd Medical AB and chairman of the Board of Directors Anders Essen-Möller have undertaken to subscribe for their pro rata share in the Rights Issue. In total, the Rights Issue is covered by subscription undertakings of 33.64 per cent.

Summary

- The Rights Issue will, upon full subscription, provide the Company with approximately SEK 25.1 million before issue costs.
- All existing shareholders will receive two (2) subscription rights for every one (1) shares owned on the record date 3 June 2020. Nine (9) subscription rights entitle the holder to subscribe for one (1) new shares at a subscription price of SEK 5.90 per share.
- The subscription period for subscription of shares runs from 5 June 2020 up to and until 22 June 2020.
- The Rights Issue is covered by 33.64 per cent of subscription undertakings and 66.36 per cent by guarantee commitments and is thus fully guaranteed. No compensation is paid for provided subscription undertakings.
- The Company's largest owner Diamyd Medical AB and Chairman of the Board of Directors Anders Essen-Möller have undertaken to subscribe for their pro rata share in the Rights Issue.
- The company's partner and Europe's largest stem cell bank, Polski Bank Komorek Macierzystych, has committed to subscribe for approximately SEK 1.1 million.
- Notice of the extraordinary general meeting will be published in a separate press release.

"The Rights Issue is an important step in financing the Company in times where the outside world is subject to challenges. I am very proud to announce a very strong commitment from, among others, the Company's largest owner and our partner PBKM, which is Europe's largest stem cell bank. We look forward to the last visit for the last patient in the ProTrans™ study in June 2020 and thereafter see the study results during the third quarter. Our work is continuing to realize its full potential", Mathias Svahn CEO NextCell.

Background and reasons in brief

NextCell is a cell therapy company with its leading drug candidate, ProTrans™, a treatment for type 1 diabetes, in a clinical phase II. Based on the Company's innovative selection algorithm, advanced cell therapies are evaluated for autoimmune diseases, inflammatory conditions and to counteract transplant rejection. In January 2020, an order for stem cells worth around SEK 350,000 was delivered to Evox Therapeutics in Oxford. The order shows promising demand for ProTrans™ even before obtaining market approval. Furthermore, the Company assesses the scalability of the business model as high, as the Company uses mesenchymal stem cells from umbilical cord tissue that are characterized by high availability and relatively low collection costs. Two additional projects are run in parallel, one of which is in the preclinical phase, and one is ready to apply for a first clinical trial. NextCell also owns the Nordic region's largest stem cell bank, Cellaviva.

Intending to capitalize the Company with working capital and create the conditions for completing the Company's clinical trial program and continuing the development of ProTrans™ for new indications, the Board of NextCell today 15 May 2020 decided to raise a total capital of approximately SEK 25.1 million. The Company assesses that the working capital, following the completion of the Rights Issue, will cover the working capital requirement for the next twelve months and is sufficient to fulfil the Company's business plan.

In the event that the Rights Issue is fully subscribed, the Company receives SEK 25.1 million before transaction-related costs. Costs related to the Rights Issue are expected to amount to approximately SEK 3.6 million. The net liquidity from the Rights Issue, thus amounts to SEK 21.5 million. The Company intends to mainly use the net proceeds from the Rights Issue in the way presented in the below order of priority:

- Approximately 50 per cent for drug development, business development and general corporate purposes
- Approximately 30 per cent for ongoing clinical trials
- Approximately 20 per cent for Cellaviva's operations

Terms and conditions for the Rights Issue

The Board of Directors of NextCell has decided that the Rights Issue shall be subject to the following main conditions, which are subject to the approval of the extraordinary general meeting:

- Shareholders who are registered in the Company's register of shares held by Euroclear Sweden AB on the record date on 3 June 2020 will receive subscription rights for participation in the Rights Issue.
- All persons who are registered as shareholders in the Company on the record date will receive two (2) subscription rights for every one (1) share owned on the record date. Nine (9) subscription rights entitle the holder to subscribe one (1) new shares at a subscription price of SEK 5.90 per share. The subscription price corresponds to the volume-weighted average price of the Company's share on Spotlight Stock Market during a period of 30 trading days, calculated for the time until and including 14 May 2020, with a discount of 30 per cent.
- The rights issue thus entails an issue of no more than 4,254,242 shares.
- Upon full subscription in the Rights Issue, the Company's share capital will increase by SEK 872,119.61, from SEK 3,924,538.86 to a total of SEK 4,796,658.47.
- Upon full subscription in the Rights Issue, the Company receives an issue volume of approximately SEK 25.1 million before issue costs.
- For existing shareholders who decide to not participate in the Rights Issue, assuming that the Rights Issue is fully subscribed, the dilution amounts to 18.2 percent. Shareholders have the opportunity to financially compensate for the dilution effect by divesting their subscription rights.
- The subscription period for subscription of shares in the Rights Issue runs from 5 June up to and until 22 June 2020.

Prospectus

Due to the Rights Issue, and subject to the extraordinary general meeting's approval thereof, the Company will prepare a EU Growth prospectus which will be published when the Swedish FSA has reviewed and approved the prospectus, which is expected to take place around 3 June 2020.

Subscription undertakings and guarantee commitments

The Rights Issue compromises of subscription undertakings corresponding to approximately 33.64 per cent of the Rights Issue, and guarantee commitments corresponding to approximately 66.36 per cent of the Rights Issue. Neither subscription undertakings nor guarantee commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. Further information on the parties that have entered into guarantee commitments will be disclosed in the EU Growth prospectus which will be published by the Company in connection with the rights

issue. For the guarantee commitments, a guarantee commission of 9 per cent of the guaranteed amount is paid in cash. No compensation is paid for the subscription undertakings made.

Preliminary time table

1 June 2020	Last trading day in NextCells's shares including the right to receive subscription rights in the Rights Issue
2 June 2020	First trading day in NextCell's shares excluding the right to receive subscription rights in the Rights Issue
3 June 2020	Approval by the extraordinary general meeting to execute the Rights Issue
3 June 2020	The record date for obtaining subscription rights in the Rights Issue
3 June 2020	The expected date for publication of the prospectus regarding the Rights Issue
5 June – 22 June 2020	Subscription period of the Rights Issue
5 June – 17 June 2020	Trade in subscription rights on Spotlight Stock Market
23 juni 2020	The expected date for the announcement of the outcome in the Rights Issue

Advisors

Vator Securities AB is financial advisor, and Eversheds Sutherland Advokatbyrå is legal adviser to NextCell in connection with the Rights Issue. Avanza Bank AB is issuing agent in connection with the Rights Issue.

Important information of LEI and NID

As a result of MiFID II/MIFIR, all legal and natural persons need a Legal Entity Identifier (LEI) number and NID (National ID) number, respectively, to carry out securities transactions after January 3, 2018. A LEI number is a global identification code for legal persons and NID is a global identification code for natural persons. Investors who wish to apply for subscription of shares without preferential right must obtain a LEI for legal persons and natural persons must find out their NID code. Avanza Bank AB has the right to disregard subscription applications, without any liability towards the applicant, if a LEI or NID (as applicable) has not been provided in the subscription application.

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This information is the information that NextCell Pharma AB is required to disclose under the EU Market Abuse Regulation. The information was provided by the below contact person for publication on 15th of May 2020 at 09:15 CET.

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About NextCell Pharma AB:

Stem cells are expected to change the way how many of today's life-threatening diseases are treated. NextCell Pharma AB develops ProTrans, a drug candidate consisting of stem cells for the primary treatment of autoimmune and inflammatory diseases as well as for use in kidney transplants. ProTrans consists of selected stem cells derived from the umbilical cord tissue with NextCell Pharma AB's proprietary method. In addition, the company has a service called Cellaviva, Scandinavia's largest stem cell bank for the family-saving of stem cells from umbilical cord blood and umbilical cord tissue.