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## **PRESS RELEASE**

Malmö, 30 June 2020

### **Ascelia Pharma completes a directed new share issue of 4,697,781 shares, raising approximately SEK 98.7 million**

**Ascelia Pharma AB (publ) (ticker: ACE) (“Ascelia Pharma” or the “Company”) has, based on the authorisation granted by the annual general meeting on 6 May 2020, resolved on a directed new share issue to selected Swedish and international institutional investors. In total, 4,697,781 new shares were issued at a subscription price of SEK 21 per share. Through the new share issue, the Company will raise approximately SEK 98.7 million before issue costs.**

#### **The directed new share issue**

The board of directors of the Company has today, based on the authorisation granted by the annual general meeting on 6 May 2020, resolved on a directed new share issue. The directed new share issue encompasses a total of 4,697,781 new ordinary shares where the subscription price for the shares has been determined through negotiations with a number of institutional investors and was set at SEK 21 per share.

The Company intends to mainly use the proceeds from the new share issue to accelerate the pre-commercial activities for the planned launch of Mangoral, which is currently in the Phase 3 clinical study SPARKLE, as well as for general corporate purposes.

The directed new share issue included the existing long-term shareholders AP4 and Handelsbanken Fonder together with a group of new investors including Healthinvest Partners, Länsförsäkringar Fondförvaltning, Unionen and OstVast Capital Management, among others.

*“Our primary aim is to advance Mangoral towards a coming launch and subsequently make it available to physicians and patients as a safe and effective imaging drug used in liver MRI for patients with severe kidney insufficiency or acute kidney injury. Our focus for 2020 is on the Phase 3 study SPARKLE study and preparations for a commercial launch of Mangoral. We are happy to see such a strong interest and participation from reputable institutional investors in the directed new share issue and we welcome both new and existing shareholders to Ascelia Pharma”* said Magnus Corfitzen, CEO at Ascelia Pharma.

The board of directors’ assessment, based on the negotiations with the investors, is that the subscription price in the directed new share issue accurately reflects current market conditions and demand. The board of directors believes that using the flexibility provided by a directed share issue is

the most appropriate alternative for the Company at this time, allowing it to raise capital in a timely and cost-effective manner, with the purpose of financing the pre-commercial activities for Mangoral and to diversify the Company's shareholder base with local and international institutional long term investors.

Through the directed new share issue, the Company will raise approximately SEK 98.7 million before issue costs. The Company's share capital will increase by SEK 4,697,781 from SEK 23,999,453 to SEK 28,697,234, by new issue of 4,697,781 ordinary shares, resulting in the total number of shares increasing from 23,999,453 shares to 28,697,234 shares, whereof 28,186,689 are ordinary shares and 510,545 are class C shares. The new share issue results in a dilution of approximately 16.4 percent of the capital and approximately 16.6 percent of the votes for existing shareholders based on the total number of shares and votes in the Company after the new share issue.

In connection with the share issue the Company has agreed to, with customary exceptions, not carry out any additional equity issues for a period of 180 days after the settlement date. In addition, Magnus Corfitzen (CEO), Kristian Borbos (CFO), Carl Bjartmar (CMO), Julie Waras Brogren (CCO) as well as all board members who are shareholders in the Company, have agreed to, with customary exceptions, not sell any shares in the Company for a lock-up period of 180 days after the settlement date.

#### **Advisers**

In conjunction with the directed new share issue, the Company has engaged Danske Bank as Sole Bookrunner and Setterwalls Advokatbyrå as legal advisor.

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*This information is such information as Ascelia Pharma AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 6.30pm CET on 30 June 2020.*

#### **About Ascelia Pharma**

Ascelia Pharma is a biotech company focused on orphan oncology treatments. We develop and commercialize novel drugs that address unmet medical needs and have a clear development and market pathway. The company has two drug candidates – Mangoral and Oncoral – in clinical development. Ascelia Pharma has global headquarters in Malmö, Sweden, and is listed on Nasdaq Stockholm (ticker: ACE). For more information, please visit [www.ascelia.com](http://www.ascelia.com).

*About Mangoral*

Mangoral (manganese chloride tetrahydrate) is a novel oral contrast agent for MR-imaging developed to improve the detection and visualization of focal liver lesions (including liver metastases and primary tumors) in patients with reduced kidney function. These patients are at risk of serious side effects from the currently available class of gadolinium-based contrast agents. Mangoral, which has been granted an Orphan Drug Designation by the US Food and Drug Administration (FDA), is currently in Phase 3 development, including the global multi-center SPARKLE study.

*About Oncoral*

Oncoral is a novel oral irinotecan chemotherapy tablet for the treatment of gastric cancer. Oncoral has the potential to offer a more patient friendly cancer drug regimen including a better safety profile following daily tablet dosing at home compared to intravenous high-dose infusions at the hospital. Following successful Phase 1 results, the Phase 2 for Oncoral is in preparation.

**Important information**

This press release is not and does not form a part of any offer for sale of securities. Copies of this communication may not be made in, and may not be distributed or sent into, the United States, Australia, Canada, Japan, South Africa, New Zealand, Hong Kong, Singapore or any other jurisdiction in which distribution of this press release would be unlawful or would require registration or other measures. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities law. The Company does not intend to register any part of the directed new share issue in the United States or to conduct a public offering of shares in the United States.

The securities referred to herein have not been and will not be registered under the applicable securities laws of Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in, Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore. There will be no public offering of the securities described herein in Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore. This press release is not a prospectus for purposes of Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and its delegated and implemented regulations (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorised any offer to the public of securities in any EEA Member State and no prospectus has been or will be prepared in connection with the directed new share issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Any investment decision in connection with the directed new share issue must be made on the basis of all publicly available information relating to the Company and the issued shares. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares.

None of the Company, the Bookrunner or any of their respective affiliates directors, officers, employees, agents, affiliates or advisers is under any obligation to update, complete, revise or keep current the information contained in this press release to which it relates or to provide the recipient of with access to any additional information that may arise in connection with it.

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**Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative,

or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm rule book for issuers.

**Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Ascelia Pharma have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Ascelia Pharma may decline and investors could lose all or part of their investment; the shares in Ascelia Pharma offer no guaranteed income and no capital protection; and an investment in the shares in Ascelia Pharma is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the directed new share issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Ascelia Pharma.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Ascelia Pharma and determining appropriate distribution channels.

Every care has been taken into consideration when translating this press release into English. In the event of differences between the English version and the Swedish original, the Swedish version shall apply.