

Modus Therapeutics Holding AB receives preliminary approval for listing and publishes prospectus

STOCKHOLM, SWEDEN - 22 June 2021: Modus Therapeutics Holding AB (“Modus Therapeutics” or the “Company”) hereby announces that the Company has received preliminary approval for listing on Nasdaq First North Growth Market (“First North”). The Company hereby also publishes the prospectus in connection with the forthcoming issue of units (the “Listing Issue”), which initially amounts to a maximum of approximately SEK 33 million and in about a year a further maximum of approximately SEK 45 million that can be added to Modus Therapeutics through the warrant exercise. The subscription period for the Listing Issue begins on Tuesday, 29 June 2021, and ends on 13 July 2021. Modus Therapeutics has agreed in writing on approximately 57.6 percent of the initial part of the Listing Issue through subscription commitments. The prospectus is available via the Company's (www.modustx.com), Sedermera Fondkommission's (www.sedermera.se), and Nordic Issuing's (www.nordic-issuing.se), respective websites. Svensk Kapitalmarknadsgranskning AB (“SKMG”) has been appointed Certified Adviser by the Company. Nordnet Bank AB is the Selling Agent in the Listing Issue and will be distributing the offer in Sweden, Denmark, Norway and Finland.

First North's decision is conditional, among other things, on Modus Therapeutics meeting the ownership distribution requirement and that the Company is provided with sufficient cash to cover the working capital requirement for the upcoming twelve months.

CEO John Öhd comments

“The cornerstone of our business is the drug candidate sevuparin for the treatment of sepsis and septic shock. In the background is over 20 years of research on the positive mechanisms of action of sevuparin. By taking advantage of the fact that sevuparin can be prescribed in several times higher doses than comparable polysaccharides, there is potential to stop destructive processes in the body that occur in sepsis, and septic shock could be alleviated and prevented. Sevuparin has shown good safety and tolerability in previous clinical trials in other indication areas. This gives us an edge in the upcoming clinical phase Ib / IIa studies. Through sevuparin, our ambition is to develop a treatment for sepsis and septic shock with the potential to change sepsis care.”

Background and reasons for the Listing Issue

Modus Therapeutics is a clinical biotechnology company developing a treatment for sepsis and septic shock through the patented polysaccharide sevuparin. The drug candidate sevuparin has the opportunity to benefit patients, save large healthcare costs and consequently realize significant values in the market. The Company plans to start a clinical phase Ib-LPS provocation study during H2 2021 that is expected to last until Q2/Q3 2022. After the clinical phase Ib-LPS provocation study, Modus plans to initiate a clinical phase IIa-PoC- study during Q3/Q4 2022.

To provide working capital and create the conditions for carrying out the clinical phase Ib/IIa studies, Modus Therapeutics is now carrying out the Listing Issue . More information about the Company and the offer is presented in the prospectus that today, 22 June 2021, was approved and registered by the Swedish Financial Supervisory Authority. The prospectus, including complete terms and conditions, is available via the Company's (www.modustx.com), Sedermera Fondkommission's (www.sedermera.se), and Nordic Issuing's (www.nordic-issuing.se) respective websites. A summary teaser will be available on the websites mentioned above in connection with the subscription period, starting 29 June 2021.

The offer in summary

Subscription period: 29 June – 13 July 2021.

Subscription price: SEK 6.40 per unit, corresponding to SEK 6.40 per share. Warrants of series TO 1 are issued free of payment.

Minimum subscription: 1,000 units (equivalent to SEK 6,400). Each unit consists of one share and one warrant of series TO 1.

Issue volume: The initial offer comprises a maximum of approximately SEK 33 million and the total amount the Company can receive through warrant exercise in about a year amounts to approximately SEK 45 million.

Subscription commitments: Modus has received subscription commitments of approximately SEK 19 million, corresponding to approximately 57.6 percent of the initial issue proceeds.

Number of shares before the Listing Issue: 10,943,750 shares.

Valuation (pre money): SEK 70 million.

Expected first day of trading: Shares and warrants of series TO 1 are planned to be admitted to trading on Nasdaq First North Growth Market on 22 July 2021.

ISIN: SE0015987904.

Lock-up: The Company's largest owners (Karolinska Development AB, KDev Investments AB, John Öhd and Ellen Donnelly) have entered into lock-up agreements for 100 percent of their respective holdings during the period from the listing date until the exercise period for the warrants is completed. These parties' shareholdings in Modus before the Listing Issue together amount to 95.21 percent. Claes Lindblad (CFO), who becomes a shareholder after the Listing Issue, has also entered into a lock-up agreement on the same terms. Following the terms of the lock-up agreements, all of these parties' potential investment in the Listing Issue is under lock-up on the same terms as above.

Warrants of series TO 1: Holding one warrant of series TO 1 entitles the holder to subscribe for one new share at a price of at least SEK 7.30 to a maximum of SEK 8.80 per share in cash, during the period from 19 May to 9 June 2022. The subscription price amounts (within the range above) to 70 percent of the average volume-weighted price for the share according to First North's official price statistics during the period of 20 trading days ending two banking days before the exercise period begins. Upon full exercise of all warrants at the highest exercise price, the Company will receive approximately SEK 45 million.

ISIN code for the warrant of series TO 1: SE0016075568.

Financial advisor, legal advisor and issuer

Sedermera Fondkommission is the financial advisor and Markets & Corporate Law Nordic AB is the legal advisor to Modus Therapeutics in connection with the Listing Issue. Nordic Issuing is the assigned issuing agent.

Selling Agent

Nordnet Bank AB is the Selling Agent in the Listing Issue in Sweden, Denmark, Norway and Finland.

For further information about the Listing Issue and the planned listing, please contact:

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About Modus Therapeutics AB

Modus Therapeutics is a Swedish biotech company developing sevuparin with a focus on diseases with high unmet medical need. The Company's near-term focus is to develop sevuparin for patients with sepsis/septic shock, a severe and often fatal condition. Sepsis/septic shock constitutes a bacteria-induced state of severe systemic inflammation. Severe systemic inflammation can also occur from several other serious medical events such as major surgery, trauma, burns, autoimmunity to mention a few, which are also potential high need indications of interest for sevuparin. Modus is backed by Karolinska Development AB (Nasdaq Stockholm: KDEV), KDev Investments AB, (Karolinska Development AB and Rosetta Capital), The Foundation for Baltic and European Studies (Östersjöstiftelsen) and Praktikerinvest AB.

About sevuparin

Sevuparin is a clinical stage, innovative proprietary polysaccharide drug with a multimodal mechanism of action, including anti-inflammatory, anti-adhesive and anti-aggregate effects. Sevuparin is a heparinoid with markedly attenuated anti-coagulation features that allows severalfold higher doses to be given, compared to regular heparinoids, without the associated risk for bleeding side-effects. Two routes of administration of sevuparin are currently being tested – an IV formulation for in-patient administration and a subcutaneous formulation that allows ambulatory and home care administration.

About severe systemic inflammation

Severe systemic inflammation conditions (also known as systemic inflammatory response syndrome, SIRS) are feared complications of severe medical conditions such as infection, trauma, and major surgery. It is characterized by an uncontrolled systemic inflammatory response that can progress into shock and multi-organ failure. One such manifestation is septic shock, which is a leading cause of death in intensive care units worldwide, with mortality rates typically exceeding 30%.

In systemic inflammation reactions, vascular hyper-permeability caused by the inflammatory response, may cause significant endothelial damage, plasma leakage and excessive edema formation. The pulmonary circulation is particularly vulnerable leading to respiratory distress, and in time more advanced multi-organ damage ensues. Neutrophil granulocytes, releasing an array of potent inflammatory mediators exhibiting permeability-increasing properties, are critically involved in the capillary-alveolar barrier breakdown.

There is currently no pharmaceutical product available that can be specifically used to treat patients with uncontrolled systemic inflammation such as sepsis. The current standard of care for hospitalized patients relies on aggressive fluid therapy, vasopressors, oxygen, corticoid steroids and mechanical ventilation.