

## Press release

NeuroVive Pharmaceutical AB (publ)  
556595-6538



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### **NeuroVive proposes a rights issue of MSEK 74 and accelerates the clinical development of KL1333**

*Lund, Sweden, 19 February 2020, NeuroVive Pharmaceutical AB (Nasdaq Stockholm) today announced that the Board of Directors of NeuroVive Pharmaceutical AB (publ) (“NeuroVive” or the “Company”) has resolved, subject to approval by the Extraordinary General Meeting, on a new share issue with preferential rights for the Company’s existing shareholders (the “Rights issue”) in order to ensure that the Company has financial resources for its prioritized primary mitochondrial disease (PMD) programs, primarily the continued clinical development of KL1333.*

The Board's resolution on the Rights issue is subject to approval by the Extraordinary General Meeting to be held on 17 March 2020. Notice of the Extraordinary General Meeting is published through a separate press release. The Rights issue is covered by subscription and guarantee commitments corresponding to 90 percent of the share issue and upon full subscription, the Company will receive approximately MSEK 74 before issue costs. Due to the Rights issue, NeuroVive postpones the Annual General Meeting until May 20, 2020.

Capital raised in the Rights issue, together with existing resources, will be fully dedicated to: enable the KL1333 project to present results from patients in the final part of the ongoing phase Ia/b study during the second half of 2020; initiate the necessary activities to prepare for Phase II clinical trials in the first half of 2021; and to the NV354 project to deliver preclinical activities during the second half of 2020, ahead of entering its first clinical study in 2021. In line with the increased focus on PMD, NeuroVive will not invest further in NV556 development activities. Activities are ongoing to evaluate non-dilutive financing of the planned NeuroSTAT phase II efficacy study.

#### **Background and reason**

Since 2019, NeuroVive has focused on PMD and in order to finance the continued development of KL1333 and NV354 the Board has proposed the Rights issue. The Board has made this strategic decision as the two projects offer complementary modes of action in patient populations with significant unmet medical needs. NeuroVive has 20 years’ of scientific experience in mitochondrial diseases, and the PMD segment offers an additional strong opportunity with orphan indications. Orphan drugs generally allow for a faster and less costly route to the market, as well as a higher price for the drug. KL1333, has been granted orphan drug designation in both the US and Europe.

*“NeuroVive’s project KL1333 has imminent clinical milestones that are crucial in order to realize value for patients with devastating PMD and a low life expectancy in need of novel treatment alternatives, as well as value to our shareholders in the short to medium term. We want to ensure that the Company can focus on the clinical development in PMD. Through the proposed new share issue, the Company can complete the ongoing important KL1333 Phase I a/b study, which in the final part will include patients, biomarkers and functional measures. We can also prepare for the KL1333 effect study that is planned to be initiated during the first half of next year. It is mine and the Board’s conviction that we through the strategic focus best optimize shareholder value”, says Erik Kinnman, CEO of NeuroVive.*

**NeuroVive Pharmaceutical AB (publ)** - the mitochondrial medicine company. The company is listed on Nasdaq Stockholm, Small Cap, under the ticker symbol NVP. The share is also traded on the OTC Markets’ Pink Open market (ticker symbol NEVPF) in the US. Investors can find Real-Time quotes and market information for the company at [www.otcmarkets.com/stock/NEVPF/quote](http://www.otcmarkets.com/stock/NEVPF/quote)

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## Terms for the Rights issue

On February 19, 2020, the Board of Directors of NeuroVive resolved, subject to the approval of the Extraordinary General Meeting, on a new share issue of up to 92,976,295 shares with preferential rights for the Company's existing shareholders. The subscription price amounts to SEK 0.80 per share, which implies that the Company will raise approximately MSEK 74 before issue costs from the Rights issue. The Board's resolution is subject to approval of the Extraordinary General Meeting to be held on March 17, 2020. Notice of the Extraordinary General Meeting is published through a separate press release. Following the Rights issue, NeuroVive postpones the Annual General Meeting until May 20, 2020. The Annual General Meeting was previously scheduled for April 21, 2020.

The right to subscribe for shares in the Rights issue shall accrue to the Company's shareholders, whereby each existing share in NeuroVive entitles to one (1) subscription right. Two (2) subscription rights entitle to subscription of one (1) new share. The record date for participation in the Rights issue is April 1, 2020 and the subscription period runs during the period April 6 to April 24, 2020. The last day for trading in NeuroVive's share including the right to participate in the Rights issue is March 30, 2020. Trading in subscription rights will take place on Nasdaq Stockholm during the period April 6 to April 22, 2020.

If not all shares are subscribed for with the use of subscription rights the Board shall, within the maximum amount of the Rights issue, decide on allotment of shares subscribed for without the use of subscription rights. Allotment without preferential right shall primarily be made to subscribers who also subscribed for shares with the use of subscription rights, regardless of whether or not the subscriber was a shareholder on the record date, and if allotment cannot be made in full, allotment shall be made in relation to the number of subscription rights used for subscription of shares and to the extent this is not possible allotment shall be made by drawing lots. Secondly, allotment of shares subscribed for without the use of subscription rights shall be made to others that have subscribed for shares without the use of subscription rights and if allotment cannot be made in full, allotment shall be made in relation to the number of shares each have subscribed for, and to the extent this is not possible allotment shall be made by drawing lots. Thirdly and lastly, allotment of shares that have been subscribed for without the use of subscription rights shall be made to those who have entered into an underwriting agreement as a share issue guarantor, and if allotment to them cannot be made in full allotment shall be made in proportion to the amount that each have guaranteed and, to the extent this is not possible, allotment shall be made by drawing lots.

Upon full subscription in the Rights issue the share capital will increase from SEK 9,297,629.55 to SEK 13,946,444.30 and the number of shares will increase from 185,952,591 shares to 278,928,886 shares. For existing shareholders who choose not to participate in the Rights issue, this implies, upon full subscription, a dilution of approximately 33 percent of shares and votes.

Full terms and conditions for the Rights issue and other information about the Company will be presented in the prospectus that will be published no later than the day before the subscription period starts.

## Subscription and guarantee commitments

In connection with the Rights issue, the Company has entered into subscription commitments with existing owners totalling MSEK 6.1, corresponding to approximately 8.2 percent of the Rights issue.

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The Company has also entered into agreements with a number of investors on guarantee commitments amounting to a total of MSEK 60.9, corresponding to approximately 81,8 percent of the Rights issue. Cash commission is paid in accordance with the guarantee agreements of ten percent on the guaranteed amount, corresponding to a total of approximately MSEK 6.1. In total, the Rights issue is thus covered by subscription and guarantee commitments amounting to MSEK 67, corresponding to approximately 90 percent of the Rights issue.

## Preliminary time plan for the Rights issue

March 17, 2020	Extraordinary General Meeting
March 30, 2020	Last day of trading including the right to receive subscription rights
March 31, 2020	First day of trading excluding the right to receive subscription rights
April 1, 2020	Record date for participation in the Rights issue
April 6 - 22, 2020	Trading with subscription rights
April 6 - 24, 2020	Subscription period
Around April 28, 2020	Publication of the outcome in the Rights issue

## Advisors

Erik Penser Bank AB acts as financial advisor to NeuroVive in connection with the Rights issue and Cirio Advokatbyrå AB acts as legal advisor.

*This information is information that NeuroVive Pharmaceutical 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 person set out below, at 08:30 a.m. CET on 19 February 2020.*

## For more information please contact:

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The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in NeuroVive. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for shares in NeuroVive will only be made through the prospectus that NeuroVive estimates to publish no later than the day before the subscription period begins.

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This press release may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.