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Ascelia Pharma Resolves on a Directed Issue of Convertibles of SEK 7.5 Million

Ascelia Pharma AB (publ) ("Ascelia Pharma" or the "Company") (Nasdaq Stockholm: ACE), has today, in accordance with what was communicated in a press release on 10 July 2024 in connection with the Company's announcement of a rights issue of units (the "Rights Issue"), and based on the authorization granted by the Extraordinary General Meeting on 14 August 2024, resolved on a directed issue of convertibles to Fenja Capital II A/S ("Fenja Capital") for a total nominal amount of SEK 7.5 million. The consideration for the convertible issue is paid by offsetting the corresponding amount outstanding under the existing convertibles issued to Fenja Capital in February 2024.

In accordance with what was communicated in the Company's press release from 10 July 2024, the Company has, in connection with the Rights Issue, renegotiated the outstanding loan and convertibles from Fenja Capital, which were originally raised in February 2024. As previously communicated, the Company has utilized SEK 7.5 million of the issue proceeds from the Rights Issue for repayment of part of the outstanding amount under the convertibles issued in February 2024. In addition to the repayment of SEK 7.5 million, the Company and Fenja Capital have, as previously communicated, agreed that the remaining nominal amount of SEK 7.5 million which is still outstanding under the convertibles shall be converted into new convertibles.

Therefore, the Board of Directors of the Company has today, based on the authorization granted by the Extraordinary General Meeting held on 14 August 2024, resolved on a directed issue of convertibles to Fenja Capital. The total nominal amount of the new convertibles amounts to SEK 7.5 million. Fenja Capital has the right to request conversion of the new convertibles into ordinary shares at a conversion price of SEK 3.38 per share, which corresponds to 200 per cent of the subscription price per share in the Rights Issue. Conversion may be requested as from the date of registration of the new convertibles with the Swedish Companies Registration Office up to and including 31 December 2025 and each request for conversion must relate to an amount of at least SEK 2 million. Payment for the new convertibles will be made by offsetting against existing convertibles.

The new convertibles carry an annual interest rate of STIBOR 3M (provided that this interest base cannot be lower than 3.00 per cent) plus 10.00 per cent, to be paid at the end of each calendar quarter. The new convertibles shall, if not previously converted, be repaid no later than

31 December 2025. The Company has the right to repay the new convertibles in advance at any time without additional costs, but if the Company requests to repay in advance, Fenja Capital has the right to request conversion of the requested repayment amount instead.

The reasons for the deviation from the shareholders' preferential right is that the issue is made due to the renegotiation of the existing loan agreement and outstanding convertibles between the Company and Fenja Capital that the parties agreed on in connection with the Rights Issue and which was announced on 10 July 2024. According to the new terms of the outstanding loan and convertibles, SEK 7.5 million of the outstanding amount under the convertibles has been repaid in cash and by set-off. The remaining nominal amount of SEK 7.5 million which is still outstanding under the convertibles shall be converted into new convertibles in the Company. The Board of Directors has carefully considered various possibilities to finance the repayment of SEK 7.5 million of the existing convertibles. In connection with this, the Board of Directors has, among other things, considered the possibility of financing the repayment of SEK 7.5 million by increasing the size of the Rights Issue, but has made the assessment that such a rights issue would probably not be fully subscribed or subscribed to a sufficient extent. In an overall assessment of the possibility of financing the repayment of SEK 7.5 million of the outstanding amount under the convertibles, the Board of Directors' overall assessment is thus that the reasons for carrying out a directed set-off issue of convertibles outweigh the reasons that justify the main rule that issues shall be carried out with preferential rights for the shareholders and a directed set-off issue of convertibles is, in the opinion of the Board of Directors, the most advantageous alternative for the Company and the Company's shareholders.

The subscription price for the new convertibles and the other terms and conditions have been determined through negotiations with Fenja Capital at arm's length, in consultation with advisors and through analysis of several market factors, and are deemed by the Board of Directors to be in line with market conditions based on prevailing conditions on the capital market.

Advisors

ABG Sundal Collier is acting as financial advisor to the Company in connection with the Rights Issue. Setterwalls Advokatbyrå AB is acting as legal advisor to the Company in connection with the Rights Issue. Aqurat Fondkommission is the issuing agent in connection with the Rights Issue.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company’s intentions, assessments, or current expectations about and targets for the Company’s future results of operations, financial condition, development, 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 the fact that they contain 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. Even if the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize 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, which are a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations

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About us

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 – Orviglance 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 <http://www.ascelia.com>.

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This information was submitted for publication, through the agency of the contact persons set out above.

Attachments

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