

Press release, Stockholm, 2026-03-02 07:00 CET

## **Novakand's Board of Directors proposes new business direction and relisting to be presented at Extraordinary General Meeting**

### **Background**

Novakand Pharma AB ("Novakand" or the "Company") announced on February 24, 2026, that Nasdaq had rejected Novakand's application for continued listing on First North Growth Market following the planned reverse takeover of SVF Vaccines AB, meaning the planned reverse takeover will not be completed. In connection with the decision to reject Novakand's application, Nasdaq also informed the Company of its intention to delist the Company's financial instruments from First North Growth Market on March 26, 2026.

In light of Nasdaq's decision and the cancellation of the proposed reverse takeover, the Board of Directors has evaluated the Company's options and contacted certain major shareholders individually to secure a broader shareholder base for decisions regarding the Company's future business direction.

### **The Board's proposal for a new business direction**

Based on discussions with the Company's shareholders, the Board assesses that there is a strong desire for the Company not to be liquidated, and that the Company should continue to focus on the fractalkine program and conduct research and development based on the results generated within this program.

The Board maintains its assessment that it is not possible to advance the fractalkine program within the current lead indications—acute myocardial infarction and ovarian cancer — as the conditions for raising the capital required to conduct a Phase II clinical trial are currently lacking (at least approximately SEK 150-300 million over a 3-4 year period).

Considering the Company's existing assets, capital, and capabilities, the Board believes the best way forward is to evaluate the fractalkine program in niche indications, enabling development to commercialization through partnerships at a lower investment level vs the high level that the current lead indications will require. One concrete example of such opportunity is represented by preclinical studies in hematological cancer, currently without any cure, based on, among other things, the following:

- Published results with researchers from Karolinska Institutet\* showing that the Company's drug candidate rugocrixan blocks the unwanted growth effect of immune cells on cancer cells in biopsies from patients with advanced blood cancer.
- That this effect is supported by Novakand's clinical results from the KANDOVA study in ovarian cancer, where rugocrixan was shown to block the specific type of immune cells identified as undesirable in blood cancer.
- That the Company sees opportunities to conduct preclinical studies with lower operational costs in line with the Company's current cash position, including through academic collaborations for which EU funding and public grants can be applied for.
- evaluation of technologies that could enable extended product protection.

\*Published in the journal Blood: <https://doi.org/10.1182/blood-2023-185953>

### **The Board's report on operational management**

The Company has received various anonymous requests for, among other things, a general meeting and a special examination (*Sw. särskild granskning*) in accordance with the Swedish Companies Act. The Board believes there are no grounds to comply with anonymous communications, particularly as it would entail costs for the Company. However, the Board and the CEO welcome the conduct of a special examination under the Swedish Companies Act. Pending such a decision by a general meeting, the Board wishes to briefly account for the management of the Company's operations during the second half of 2025:

Since the Board decided to pursue a reverse takeover, announced in a press release on September 18, 2025, the Company has taken measures to reduce operational costs and negative cash flow, as well as to prepare the Company for a possible reverse takeover. As stated in the Company's year-end report for 2025, operating expenses have been reduced to SEK 5.0 million (SEK 9.9 million in 2024) and negative cash flow to SEK 6.2 million (SEK 11.6 million in 2024). The Company's cash and cash equivalents amounted to SEK 16.1 million as of December 31, 2025.

The reduction in operating expenses and negative cash flow has been achieved by terminating and consolidating certain agreements and through staff redundancies. However, the Company has maintained all functions, insurances, systems, and operating procedures required to operate as a listed company. The Company has undergone detailed due diligence by SVF Vaccines supported by an external law firm, as well as an ongoing review by the Company's financial auditor.

Since the Board's decision to seek a reverse takeover, the Company has also taken measures to reduce operational expenses related to the fractalkine program. This reduction was primarily achieved by terminating and consolidating agreements related to the planned Phase IIb study in acute myocardial infarction (FRACTIVE) and the completed KANDOVA study. The Board emphasizes that the Company has maintained patents in accordance with its IP strategy, other systems for data and know-how, quality systems, and regulatory obligations from previously conducted clinical trials, and has maintained the ability to restart GMP manufacturing of active pharmaceutical ingredient, should new financing enable further production. The Company has also continued to screen for potential partners. The write down of intangible assets in the balance sheet to zero has been done in accordance with the Company's IFRS based accounting rules. In other words, the decision to write down the asset for accounting purposes, does not constitute any basis for the business case valuation of the fractalkine program from technical or clinical perspectives.

As announced on February 24, 2026, Nasdaq has informed the Company that Novakand does not meet the business activity requirements of the First North Growth Market Rulebook and has therefore been placed on its observation list. The decision means the Company must submit remedial measures before March 26, 2026; otherwise, a delisting process will be initiated. The Company is now taking steps to prepare for an application for relisting. This primarily involves ensuring a cost-effective organization capable of operating in accordance with the new proposed business direction, and demonstrating at least 12 months of working capital to finance said planned business.

### **Extraordinary General Meeting**

The proposed business direction aims to outline a realistic path toward partnership, considering the current challenging situation, existing R&D results, and clear financial constraints. To enable this, the Company deems it necessary to initiate a restart of the fractalkine program, moving back a few steps in the R&D life cycle. Consequently, commercialization through partnership will require a longer time line compared to the previous business plan, which was based on larger investments and an additional Phase II study. Given the significant changes entailed by the new business direction, the Board believes that this change must be anchored with the shareholders.

The Board therefore intends to shortly convene an Extraordinary General Meeting (EGM) with the following key topics:

- Anchoring of the new business direction
- Decision to apply for relisting
- Election of Board of Directors (to take office after the signing of the Annual Report, estimated for April 24, 2026)
- Special examination in accordance with the Swedish Companies Act

The Company's Annual Report for 2025 is scheduled to be signed and published on April 24, 2026. The Annual General Meeting is scheduled for May 25, 2026. Novakand's current Board remains available until the Annual Report is signed, and the Board elected by the upcoming EGM will thus take office following the signing of the Annual Report. The reason for this proposal is that if a new Board takes office before the Annual Report is presented, the responsibility for signing the report—and the associated liability—falls upon the incoming Board.

#### **About Novakand Pharma AB**

Novakand Pharma is a clinical stage biotech developing a new class of small molecule drugs with an immune cell modulating mode-of-action. The stock is traded on Nasdaq First North Premier. Redeye Sverige AB is the company's Certified Adviser and can be contacted at: [certifiedadviser@redeye.se](mailto:certifiedadviser@redeye.se).

#### **For further information:**

Visit the company's website at: [www.novakand.com](http://www.novakand.com) or contact: [ir@novakand.com](mailto:ir@novakand.com).