

Press Release

Abliva AB (publ), 556595-6538
01 June 2022 02:45:00 CEST - Lund,
Sweden



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Abliva decides on a SEK 200 million financing to fund Phase 2/3 study of KL1333 to interim analysis and bring in new global life science and institutional investors

The Board of Directors of Abliva AB (Nasdaq Stockholm: ABLI) (“Abliva” or the “Company”) has approved a directed issue of approximately SEK 150 million to several life science specialist and institutional investors, including IP Group plc, (the “Directed Issue”) and a fully underwritten rights issue of approximately SEK 50 million (the “Rights Issue”, together the “Issues”). The subscription price in both the Directed Issue and the Rights Issue is SEK 0.35 per share, corresponding to a 10 percent discount compared with the closing price for Abliva's share on May 31, 2022. Through the Issues, Abliva will receive a total of approximately SEK 200 million before issue costs.

Summary

- Through the Directed Issue, Abliva will receive approximately SEK 150 million and through the Rights Issue approximately SEK 50 million, a total of approximately SEK 200 million before issue costs.
- The Rights Issue is 100 percent covered by underwriting commitments.
- Abliva will allot one (1) subscription right to all shareholders in Abliva's shareholder register maintained by Euroclear Sweden AB for every one (1) share held on the record date, which is scheduled to be June 8th 2022. Eleven (11) subscription rights entitle to subscription of four (4) new shares in the Company.
- The subscription price in both the Directed Issue and the Rights Issue is SEK 0.35 per share. The subscription price has been determined through negotiations with a number of investors and on the terms that the Board of Directors deems the issue can be carried out, adapted to the prevailing market situation. The Company's Board of Directors therefore considers that the subscription price is market-based.
- The subscription period in the Rights Issue runs from and including June 10th 2022, until and including June 27th 2022.
- The total dilution of the Issues amounts to approximately 58.8 percent based on the total number of shares in Abliva after both the Rights Issue and the Directed Issue.
- Shares issued in the Directed Issue will not entitle to subscription rights in the Rights Issue.

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- A prospectus by reason of the Rights Issue and admission to trading of shares in the Directed Issue and conversion of convertibles will be published no later than June 9th 2022.

Summary of background and use of proceeds

The financing will fully fund the commencement of a potentially pivotal/registrational Phase 2/3 study for KL1333 and its progression to the outcome of a key interim analysis which will not only inform as to the size of the remainder of the study, but also provide investors and potential strategic partners with guidance as to the relative chance of eventual success. In addition, the funds will support the preparation of Abliva's second asset, NV354, for the clinic. The company expects the proceeds will provide cash runway for the next 24 months and, in more detail, to finance the following activities:

KL1333 program (85% of the proceeds):

- Initiation this year of the Phase 2/3 clinical trial evaluating its lead asset, KL1333, a potent modulator of the NAD⁺/NADH coenzymes involved in cell's energy metabolism for the treatment of primary mitochondrial disease (PMD);
- Progression of the KL1333 Phase 2/3 trial to an interim analysis of the first 40 patients in late 2023/early 2024 which will inform as to the size required for the second part of the study and provide insight into the relative chance of overall success;
- Support non-clinical activities

NV354 program (5% of the proceeds):

- Preparation of the asset for clinical development (completion and filing of regulatory documentation, manufacture of clinical trial material)

G&A (10% of the proceeds):

- Supporting general and administrative expenses until mid-2024

The fundraising will also provide an opportunity for Abliva to broaden its shareholder base, with new specialist biotech and institutional investors supporting the financing including IP Group plc ("IP Group"). IP Group is a FTSE250 London-based science & technology investor with particular expertise in the global biotechnology industry and a track-record of identifying undervalued therapeutic programmes and helping these attain key developmental and value-accreting milestones. Existing specialist life science venture capital investor, Hadean Ventures, is also participating with a new investment, in addition to the conversion of its outstanding convertible loans. OPF, a Norwegian institutional investor, will also join the round with other international institutional investors.

The Rights Issue

The Board of Directors resolves on an issue of no more than 146,547,924 new shares with preferential rights for the Company's existing shareholders, corresponding to an increase in the share capital of approximately SEK 7.3 million. The main conditions are as follows:

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- Abliva will allot one (1) subscription right to all shareholders registered in Abliva's shareholder register maintained by Euroclear Sweden AB for every (1) share held on the record date, which is scheduled to be June 8th 2022. Eleven (11) subscription rights entitle to subscription of four (4) new share in the Company.
- Through the Rights Issue, the Company will receive approximately SEK 50 million before issue costs.
- The subscription price is SEK 0.35 per share.
- No fractions of shares will be issued and it will not be possible to partially exercise a single subscription right.
- The subscription period in the Rights Issue runs from and including June 10th, until and including June 27th 2022. The Company's Board of Directors shall have the right to extend the subscription period.
- A holder of subscription rights may participate in the Rights Issue during the subscription period by subscribing for new shares by submitting the subscription assignment and paying the subscription price in accordance with the instructions of the relevant custodian or account operator. Any subscription rights remaining unexercised at the end of the subscription period will expire without any compensation.
- Trading in subscription rights is expected to take place from and including June 10th 2022, until and including June 21st 2022.
- In the event that not all shares are subscribed for under subscription rights, the Board of Directors shall, within the maximum amount of the issue, resolve on allotment of shares without subscription rights. Allotment will then take place in the following order of priority:
 - Primarily, allotment shall be made to those who subscribed for shares under subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, pro rata in relation to the number of subscription rights exercised for subscription and, to the extent that this cannot be done, by drawing lots. Secondly, allotment shall be made to others who have signed up for subscription without subscription rights. In the event that they cannot receive full allotment, allotment shall be made pro rata in proportion to the number of shares subscribed for by each and, to the extent that this cannot be done, by drawing lots. In the third and final stage, any remaining shares shall be allotted to the parties who have underwritten the Rights Issue, in relation to the underwriting commitments made.
- The new shares shall entitle to dividends for the first time on the record date for dividends that occur after the issue has been registered.
- For existing shareholders who refrain from participating in the Rights Issue, the dilution amounts to no more than approximately 15.0 percent based on the total number of shares in Abliva after the Rights Issue.

The Directed Issue

The Board of Directors resolves on an issue of no more than 429,714,285 new shares with deviation from the shareholders' preferential rights, corresponding to an increase in share capital of approximately SEK 21.5 million. The main conditions are as follows:

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- The reason for the deviation from the shareholders' preferential rights is, in addition to the matters described above under Summary of background and use of proceeds, that the Company is able to obtain and engage certain new strategically important shareholders to support the Company's business development.
- Through the Directed Issue, the Company will receive approximately SEK 150 million before issue costs.
- The subscription price is SEK 0.35 per share. The subscription price has been determined through negotiations with a number of investors and on the terms that the Board of Directors deems the issue can be carried out, adapted to the prevailing market situation. The Company's Board of Directors therefore considers that the subscription price is market-based.
- Payment shall be made no later than June 10th 2022. The Company's Board of Directors shall have the right to extend the payment period.
- The new shares shall entitle to dividends for the first time on the record date for dividends that occur after the issue has been registered.
- For existing shareholders, the dilution amounts to approximately 51.6 percent based on the total number of shares in Abliva after the Directed Issue.
- Shares issued in connection with the Directed Issue are not entitled to participate in the Rights Issue.

Underwriting commitments

Several current owners and external investors has entered underwriting agreements in the Rights Issue corresponding to 100 percent of the Rights Issue, amounting to SEK 50 million. The Rights Issue is thus fully secured through underwriting commitments. Compensation for the underwriting commitments amounts to 12 percent of the underwritten amount and is to be paid in cash.

Conversion of outstanding convertibles

Abliva's largest shareholder, Hadean Ventures, has decided to convert their convertibles of SEK 26M plus accrued interest to shares. The convertibles, each with a nominal value of SEK 100,000, plus accrued interest, are to be converted at the same share price as in the Issues, resulting in 77,030,158 new shares. Shares issued in connection with conversion of convertibles will not entitle to participate in the Rights Issue. For clarity, the conversion is in addition to Hadean's participation in the Directed Issue.

"I am extremely happy to announce this unprecedented raise with high quality, long-term investors. The fact that this could be done in this incredibly challenging market environment clearly illustrates the unique value proposition and strong strategy that Abliva offers. Thanks to this raise we will be able to start our Phase 2/3 study with KL1333 and progress it past a key interim analysis, taking these next steps to key value inflection points in the coming 12-18 months" says Abliva's CEO, Ellen Donnelly.

"After delivering strong progress in its mission to address unmet medical need in PMD, we are excited to continue to support Abliva. It is furthermore a pleasure to welcome new specialist and institutional investors to the shareholder base in this pivotal time for the company" says Hadean Ventures Managing Partner, Ingrid Teigland Akay.

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Lock-up

In connection with the Directed Issue, the Company has undertaken towards Erik Penser Bank AB and Van Lanschot Kempen, subject to customary exceptions, not to issue additional shares or other share-related instruments for a period of 180 days after the date for the start of delivery of shares in the Directed Issue. Furthermore, all shareholders in the Company's Board of Directors and management, who are regarded as persons discharging managerial responsibilities in the Company, have undertaken, subject to customary exceptions, not to dispose of shares or other share-related instrument for a period of 180 days after the date of the settlement of the Directed Issue.

Prospectus

A prospectus by reason of the Rights Issue and admission to trading of shares in the Directed Issue and conversion of convertibles will be published no later than June 9th 2022. Full terms and instructions as well as information about underwriting commitments will be available in Ablivas prospectus which will be published on the Company's website, www.abliva.com.

Advisors

Erik Penser Bank AB and Van Lanschot Kempen are financial advisors to Abliva and Cirio Advokatbyrå AB is legal advisor to Abliva in connection with the Issues. Erik Penser Bank is the acting issuing agent in connection to the Issues. Baker & McKenzie Advokatbyrå KB is legal advisor to Erik Penser Bank AB and Van Lanschot Kempen.

Conference Call

Abliva invites to a conference call and an online presentation on June 1, 2022, at 14:00 CEST. Abliva's CEO Ellen Donnelly, CMO Magnus Hansson and CFO Catharina Johansson will inform about the financing and implementation of KL1333 Phase 2/3 study and answer questions. The presentation will be held in English.

Dial-in numbers to conference call:

SE: +46850558355

UK: +443333009274

US: +16467224956

The presentation will be webcasted and can be accessed at the following web link: <https://tv.streamfabriken.com/abliva-q1-2022>

This information is information that Abliva AB 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 below, at 2022-06-01 02:45 CEST.

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Abliva – Delivering mitochondrial health

Abliva discovers and develops medicines for the treatment of primary mitochondrial diseases. These rare and often very severe diseases occur when the cell's energy provider, the mitochondria, do not function properly. The company has prioritized two projects. KL1333, a powerful regulator of the essential co-enzymes NAD⁺ and NADH, is entering late-stage development. NV354, an energy replacement therapy, has completed preclinical development. Abliva, based in Lund, Sweden, is listed on Nasdaq Stockholm, Sweden (ticker: ABLI).

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This press release is not a prospectus.

Abliva AB (publ) - the mitochondrial medicine company. The company is listed on Nasdaq Stockholm, Small Cap, under the ticker symbol ABLI.

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Attachments

[Abliva decides on a SEK 200 million financing to fund Phase 2/3 study of KL1333 to interim analysis and bring in new global life science and institutional investors](#)