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Ascelia Pharma Announces Final Terms of Rights Issue

Ascelia Pharma AB (publ) ("Ascelia Pharma" or the "Company") (Nasdaq Stockholm: ACE), announced on 10 July 2024 that the Board of Directors, subject to approval by the Extraordinary General Meeting in the Company on 14 August 2024, had resolved on an issue of units, consisting of ordinary shares and warrants, with preferential rights for the Company's existing shareholders (the "Rights Issue"). Today, the Board of Directors of Ascelia Pharma announces the final terms of the Rights Issue.

Summary

- Anyone who is registered as a shareholder in Ascelia Pharma on the record date, 16 August 2024, will receive one (1) unit right per one (1) existing ordinary share in Ascelia Pharma. Thirteen (13) unit rights entitle to subscription of eight (8) units. Each unit consists of three (3) ordinary shares and one (1) warrant series TO 1. One warrant series TO 1 entitles to subscription of one (1) ordinary share in the Company.
- The Rights Issue entails the issuance of a maximum of 20,773,992 units, corresponding to 62,321,976 ordinary shares and 20,773,992 warrants series TO 1.
- The subscription price in the Rights Issue has been set to SEK 5.07 per unit, corresponding to SEK 1.69 per share. The warrants series TO 1 are issued free of charge.
- One (1) warrant series TO 1 entitles the right to subscribe for one (1) new ordinary share in the Company to a subscription price corresponding to seventy (70) per cent of the volume-weighted average price of the Company's share on Nasdaq Stockholm during the period from and including 14 March 2025 up to and including 28 March 2025, however not less than SEK 1.00 and not more than SEK 3.38. Subscription of ordinary shares by exercise of warrants shall be made during the period from and including 1 April 2025 up to and including 15 April 2025.
- Upon full subscription in the Rights Issue, Ascelia Pharma will initially receive approximately SEK 105 million before issue costs. In the event the warrants series TO 1 are exercised for subscription of new shares, the Company will receive additional proceeds of approximately SEK 21 million – SEK 70 million in April 2025 before issue costs.
- The subscription period in the Rights Issue will run from and including 20 August 2024 up to and including 3 September 2024.

- The Company intends to use the net proceeds from the Rights Issue to finalize the NDA for Orviglance® to the FDA and ensure that partnership agreements are entered into ahead of the market launch of Orviglance®. Part of the proceeds will also be used to repay part of the outstanding convertibles that Ascelia Pharma raised from Fenja Capital II A/S in February 2024, strengthen the Company's working capital position and finance other administrative activities.
- The Rights Issue is subject to approval by the Extraordinary General Meeting on 14 August 2024.
- The Rights Issue is covered by subscription undertakings up to approximately 2 per cent and by guarantee commitments up to approximately 64 per cent, corresponding to a total of approximately 66 per cent of the Rights Issue.

Terms of the Rights Issue

On 10 July 2024, the Board of Directors resolved, subject to approval by the Extraordinary General Meeting on 14 August 2024, on the Rights Issue. Anyone who is registered as a shareholder in Ascelia Pharma on the record date, 16 August 2024, will receive one (1) unit right per one (1) existing ordinary share in Ascelia Pharma. Thirteen (13) unit rights entitle the holder to subscribe for eight (8) units. Each unit consists of three (3) ordinary shares and one (1) warrant series TO 1. One warrant series TO 1 entitles to subscription of one (1) ordinary share in the Company.

The Rights Issue entails the issuance of a maximum of 20,773,992 units, corresponding to 62,321,976 ordinary shares and 20,773,992 warrants series TO 1.

The subscription price per unit has been set to SEK 5.07 per unit, corresponding to SEK 1.69 per share. The subscription price has, in accordance with the principles set out in the Company's press release on 10 July 2024, been priced at a discount to TERP (theoretical share price after separation of unit rights) of approximately 35 per cent based on the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the period from and including 25 July 2024 up to and including 8 August 2024. The warrants series TO 1 are issued free of charge. Upon full subscription in the Rights Issue, Ascelia Pharma will initially receive approximately SEK 105 million before issue costs. In the event the warrants series TO 1 are exercised for subscription of new shares, the Company will receive additional proceeds of approximately SEK 21 million – SEK 70 million in April 2025 before issue costs.

Subscription of units with or without preferential rights shall be made during the period from and including 20 August 2024 up to and including 3 September 2024. Unit rights that are not exercised during the subscription period become invalid and lose their value. Trading in unit rights takes place on Nasdaq Stockholm during the period from and including 20 August 2024 up to and including 29 August 2024 and trading in BTU (paid subscribed units) during the period from and including 20 August 2024 up to and including 20 September 2024.

If not all units are subscribed for by exercise of unit rights, allotment of the remaining units shall be made within the highest amount of the issue: firstly, to those who have subscribed for units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of units without exercise of unit rights, have exercised for subscription of units; secondly, to those who have applied for subscription of units without exercise of unit rights and if allotment to

these cannot be made in full, allotment shall be made pro rata in relation to the number of units the subscriber in total has applied for subscription of units; and thirdly, to those who have provided guarantee commitments with regard to subscription of units, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

One (1) warrant series TO 1 entitles the right to subscribe for one (1) new ordinary share in the Company to a subscription price corresponding to seventy (70) per cent of the volume-weighted average price of the Company's share on Nasdaq Stockholm during the period from and including 14 March 2025 up to and including 28 March 2025, however not less than SEK 1.00 and not more than SEK 3.38. Subscription of ordinary shares by exercise of warrants shall be made during the period from and including 1 April 2025 up to and including 15 April 2025.

Upon full subscription in the Rights Issue, the share capital will increase by a maximum of SEK 62,321,976 to SEK 97,193,153 by the issuance of a maximum of 62,321,976 new ordinary shares, resulting in that the total number of outstanding shares in the Company will increase from 34,871,177 to 97,193,153, whereof 96,079,722 are ordinary shares and 1,113,431 are series C shares. Shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully subscribed, have their ownership of ordinary shares diluted by approximately 65 per cent, but are able to financially compensate for this dilution by selling their unit rights. Upon full subscription in the Rights Issue and if all warrants series TO 1 are exercised in full, the share capital will increase by an additional SEK 20,773,992 to SEK 117,967,145, by the issuance of an additional maximum of 20,773,992 ordinary shares, resulting in that the total number of outstanding shares in the Company will increase to 117,967,145, whereof 116,853,714 are ordinary shares and 1,113,431 are series C shares. Shareholders who choose not to exercise their warrants will, provided that the Rights issue is fully subscribed and all warrants are exercised in full, have their ownership of ordinary shares diluted by an additional approximately 18 per cent. The total dilution, in the event that the Rights Issue is fully subscribed and that the warrants are fully exercised, thereby amounts to a maximum of approximately 71 per cent of the total number of ordinary shares in the Company after the Rights Issue.

Subscription undertakings and guarantee commitments

Ascelia Pharma has received subscription undertakings from certain members of the Board of Directors and executive management, amounting to a total of approximately SEK 2.2 million, corresponding to approximately 2 per cent of the Rights Issue. No compensation will be paid for subscription undertakings. The Company has also entered into agreements with a number of external investors on guarantee commitments of a total of approximately SEK 67.8 million, corresponding to approximately 64 per cent of the Rights Issue. Cash compensation is paid with eleven (11) per cent of the guaranteed amount, corresponding to a total of approximately SEK 7.5 million, or thirteen point five (13.5) per cent of the guaranteed amount in the form of newly issued units in the Company, with the same terms and conditions as for units in the Rights Issue, however that the subscription price per unit shall correspond to the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the subscription period in the Rights Issue (i.e. during the period from and including 20 August 2024 up to and including 3 September 2024) multiplied by three (3), however not lower than the subscription price in the Rights Issue.

In total, the Rights Issue is covered by subscription undertakings and guarantee commitments amounting to SEK 70 million, corresponding to approximately 66 per cent of the Rights Issue.

In order to enable issue of units as guarantee compensation to the guarantors who choose to

receive guarantee compensation in the form of newly issued units, the Board of Directors has proposed that the Extraordinary General Meeting on 14 August 2024 also resolves on authorization for the Board of Directors to resolve on issue of such units to guarantors.

The guarantor Fenja Capital II A/S has provided a guarantee commitment of SEK 23 million, which means that they may exceed ten per cent of the votes in Ascelia Pharma if the Rights Issue is only subscribed up to the level covered by subscription undertakings and guarantee commitments. To the extent the guarantor's fulfilment of such guarantee entails that the investment must be approved by the Inspectorate of Strategic Products (ISP) (Sw. Inspektionen för strategiska produkter) in accordance with the Swedish Screening of Foreign Direct Investments Act (Sw. lagen (2023:560) om granskning av utländska direktinvesteringar), such part of the guarantee is conditional upon notification that the application of the transaction is left without action or that approval has been obtained from the Inspectorate of Strategic Products.

Preliminary timetable for the Rights Issue

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| Extraordinary General Meeting to approve the Rights Issue | 14 August 2024 |
| Last day of trading in shares including the right to receive unit rights | 14 August 2024 |
| First day of trading in shares excluding the right to receive unit rights | 15 August 2024 |
| Record date for participation in the Rights Issue | 16 August 2024 |
| Publication of the Prospectus | 16 August 2024 |
| Trading in unit rights on Nasdaq Stockholm | 20 August – 29 August 2024 |
| Subscription period | 20 August – 3 September 2024 |
| Announcement of the final outcome of the Rights Issue | 5 September 2024 |
| Trading in paid subscribed units ("BTU") | 20 August – 20 September 2024 |

Extraordinary General Meeting and support from major shareholders

The Board of Directors' resolution on the Rights Issue is subject to approval by the Extraordinary General Meeting on 14 August 2024. Notice of the Extraordinary General Meeting is available at the Company's website, www.ascelia.com. A number of existing shareholders, that combined represented approximately 29 per cent of the total number of votes in the Company as of 10 July 2024, have declared their support for the Rights Issue and have entered into voting undertakings or declared their intention to vote in favour of the Rights Issue resolution at the Extraordinary General Meeting planned to be held on 14 August 2024. The Board of Directors therefore believes that the conditions for successfully completing the Rights Issue are favourable.

Prospectus

Full terms and conditions of the Rights Issue and other information about the Company will be provided in the prospectus expected to be published on or around 16 August 2024 (the "Prospectus").

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

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, warrants or other securities in Ascelia Pharma. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden and Denmark. Any invitation to the persons concerned to subscribe for units in Ascelia Pharma will only be made through the Prospectus that Ascelia Pharma estimates to publish on 16 August 2024 on Ascelia Pharma's website www.ascelia.com. The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares, warrants or any other securities.

This release is not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017/1129 ("Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares, warrants or other securities in Ascelia Pharma. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares, warrants or other securities in Ascelia Pharma have been registered, and no shares, warrants or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares, warrants or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States.

Within the European Economic Area ("EEA"), no public offering of shares, warrants or other securities ("**Securities**") is made in other countries than Sweden and Denmark. In other member states of the EU, such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

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", "will", "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.

This information, opinions and forward-looking statements contained in this press release applies only as of the date hereof and may be subject to change without notice. Ascelia Pharma makes no commitment to publicly update or revise any forward-looking statements, future events or similar circumstances other than as required by applicable law.

Since Ascelia Pharma conducts essential services according to the Swedish Screening of Foreign Direct Investments Act (*Sw. lag (2023:560) om granskning av utländska direktinvesteringar*), certain investments in the Rights Issue may require review by the Inspectorate of Strategic Products (ISP). The Company will, no later than in connection with the publication of the Prospectus, publish more information about this on the Company's website, www.ascelia.com.

Contacts

Magnus Corfitzen, CEO
Email: moc@ascelia.com
Tel: +46 735 179 118

Julie Waras Brogren, Deputy CEO (Finance, Investor Relations & Commercial)
Email: jwb@ascelia.com
Tel: +46 735 179 116

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

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>.

About Orviglance

Orviglance (manganese chloride tetrahydrate) is a novel oral contrast agent for MR-imaging developed to improve the detection and visualization of focal liver lesions (including liver metastases and primary tumors) in patients with reduced kidney function. These patients are at risk of serious side effects from the currently available class of gadolinium-based contrast agents. Orviglance, has been granted an Orphan Drug Designation by the US Food and Drug Administration (FDA). A clinical program of nine studies, including the pivotal global Phase 3 study SPARKLE, has successfully been completed with strong and consistent efficacy and safety results.

Attachments

[Ascelia Pharma Announces Final Terms of Rights Issue](#)