

Promore Pharma AB intends to carry out a fully secured rights issue in order to implement the new strategy

Stockholm, May 7, 2021 -- The Board of Promore Pharma AB (publ), 556639-6809 ("Promore" or "the Company"), has on May 7, 2021, subject to the approval by an extra General Meeting on May 27, 2021, resolved to carry out a rights issue with preferential rights for the Company's existing shareholders of SEK 48.6 million before transaction costs (the "Rights Issue") for the purpose of implementing the new strategy that was communicated on March 31, 2021. The subscription price amounts to SEK 2.00 per new share. Existing shareholders and new investors have signed subscription commitments and undertakings to subscribe via acceded subscription rights corresponding to an amount of SEK 31.0 million. In addition, the Rights Issue is fully secured through underwritings. Through the Rights Issue, the planned phase II study for ensereptide (PXL01) and the technical development of the administration form for ropocamtide (LL-37) will be fully financed.

Background and purpose

Promore develops drugs for scar prevention (ensereptide; PXL01) and treatment of chronic leg ulcers (ropocamtide; LL-37). In March 2021, the Company's Board of Directors adopted a new development strategy for ensereptide and ropocamtide, implicating that the Company significantly reduced its future capital requirement while increasing the market potential for ensereptide.

The basis for the new strategy decision regarding ensereptide are an improved patent situation in the USA, an updated and more robust production process and an assessment that a focus on scar prevention in connection with surgery offers the Company's shareholders a clear way forward with distinct value-generating phases. The Company now intends to continue the development of ensereptide with a phase II study for concept validation, for which preparations and permits are expected to be completed during the current year leading to a start of the study during the first quarter of 2022, and completion of the same about six months later. The global market size for products intended for scar treatment, including laser treatment, and over-the-counter drugs, is estimated to around USD 25 billion in annual sales with an average estimated growth of about 10 percent*. In parallel with the implementation of the phase II study, the Company is looking for opportunities to enter strategic collaborations for continued development in flexion surgery in a larger phase III study.

Regarding ropocamtide, the Company has decided to pursue a technical development project to improve the form of administration of the product candidate that is deemed possible to implement with a limited investment resulting in a more user-friendly end product. The Company's assessment is that this improves future opportunity for strategic collaborations, reduces costs both in production and inventory, facilitates future clinical studies as well as increases the value of a future commercial product. Based on the positive results regarding major venous leg ulcers that were read out in a subgroup in the HEAL LL-37 study during the autumn of 2020, the Company sees great future potential for ropocamtide, regardless of whether the compound is advanced in-house or through partnership.

All in all, the new strategy offers several value-creating elements for the Company and to ensure the implementation, the Board has resolved to carry out the Rights Issue.

"This capital raising will provide the funds that Promore Pharma needs to execute the new strategy and thus enable focused and distinct development steps for ensereptide and ropocamtide. This proposed share issue will strengthen our capital structure involving shareholders sharing our view that the company holds a strong potential for business success. We look forward to an exciting time in Promore Pharma's development", says Jonas Ekblom, CEO of Promore Pharma AB

Summary of Rights Issue

- For each (1) share in the Company held on the record date on June 1, 2021, a subscription right will be received. Three (3) subscription rights entitle for subscription of two (2) new shares.
- The subscription price amounts to SEK 2.00 per newly issued share. Payment must be made in cash.
- Through the Rights Issue, Promore, upon full subscription, will receive approximately SEK 48.6 million before issuing costs.
- The subscription period for the Rights Issue is June 3 - 17, 2021.
- Through full subscription the Rights Issue the Company's share capital will increase with SEK 971,422.96, corresponding to a maximum dilution of 24,285,574 shares or 40.0 percent.
- Firstly, allotment of shares subscribed for without the exercise of subscription rights shall be allotted to such subscribers who have also subscribed for shares by exercising subscription rights. Secondly, allotment of shares subscribed for without the exercise of subscription rights shall be allotted to such subscribers who have subscribed for shares without exercising subscription rights. Third and last, allotment of shares subscribed for without the exercise of subscription rights shall be allotted to those who have entered into underwriting agreements. To the extent that allotment cannot be made in full according to pro rata in any step as above, allotment shall be made by drawing lots.
- The Board's resolution on the Rights Issue is subject to approval by an extra General Meeting on May 27, 2021. Notice of the extra General Meeting is published separately.
- The Company has received subscription commitments, commitments to subscribe through acceded subscription rights and underwriting corresponding to the full amount of the Rights Issue. The subscription commitments amount to SEK appr. 22.2 million, corresponding to appr. 45.7 percent of the Rights Issue, commitments to subscribe through acceded subscription rights amount to SEK 8.8 million, corresponding to appr. 18.1 percent of the Rights Issue and the remaining share is covered by underwritings from current shareholders and external long-term investors.

Timetable for the Rights Issue

The below timetable for the Rights Issue is preliminary and may be adjusted:

- June 1 – Record Date for participation in the Rights Issue
- June 2 – Estimated date for publication of the prospectus
- June 3 – 14 – Trading in subscription rights
- June 3 – 17 – Subscription period
- June 22 – Estimated day for publication of the outcome of the Rights Issue

Prospectus

Complete information regarding the Rights Issue and information about the Company will be included in the prospectus that is expected to be published on or about June 2, 2021.

Approval at extra General Meeting

In order to obtain the General Meeting's approval of the Board's resolution, the Board will convene the shareholders of the Company to an extra General Meeting. The extra General Meeting will be held digitally on Thursday, May 27, 2021. Notice of the extra General Meeting is published in a separate press release.

Advisors

In connection with the Rights Issue, Promore has appointed Erik Penser Bank as financial advisor, and Setterwalls Advokatbyrå AB as legal advisor.

*Source: grandviewresearch.com

Important information

The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in shares or other securities issued by Promore Pharma AB. Invitation to interested parties to subscribe for shares in Promore Pharma AB will only be made through the prospectus that Promore Pharma AB will publish.

The information in this press release may not be released, published, reproduced or distributed in or to the United States, Canada, Japan, Australia, Hong Kong, Switzerland, Singapore, South Africa or New Zealand or any other country or jurisdiction where such action is not permitted or where such action is subject to legal restrictions or would require further registration or other measures than what is required by Swedish law. Measures contrary to this instruction may constitute a breach of applicable securities legislation.

No shares have been registered, and will not be registered, in accordance with the United States Securities Act from 1933 ("Securities Act") and may not be offered, subscribed, sold or transferred, directly or indirectly, within the United States except after written approval from Promore Pharma AB and under an applicable exemption from the registration requirements of the Securities Act and in accordance with securities legislation in the relevant state or any other jurisdiction in the United States.

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Promore Pharma in brief

Press Release
7 May 2021



Promore Pharma is a biopharmaceutical company specialized in the development of therapeutic peptides. The company's aim is to develop first-in-category pharmaceuticals for indications with high unmet medical needs, where very few efficacious prescription pharmaceuticals are available. Promore Pharma's two projects are undergoing clinical development and have a very strong safety profile since the products are based on endogenous substances that are administered locally. The leading project, ensereptide (PXL01), that will be used for prevention of post-surgical scarring, is being prepared for a clinical phase II-trial if the peptide can prevent the formation of unesthetic scars on the skin. Ropocamptide (LL-37) has recently been evaluated in a clinical phase IIb study with positive results in patients with venous leg ulcers (VLUs). The product candidates can also be deployed for other indications, such as preventing unfavorable tissue attachments (adhesions) after different kinds of surgical procedures and treatment of diabetic foot ulcers. The company is listed on Nasdaq First North Growth Market.

This information is information that Promore Pharma 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 above, at 2021-05-07 10:43 CEST.

Attachments

[Promore Pharma AB intends to carry out a fully secured rights issue in order to implement the new strategy](#)