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Ascelia Pharma Announces Final Outcome in Fully Subscribed SEK 105 Million Rights Issue

The Board of Directors of Ascelia Pharma AB (publ) ("Ascelia Pharma" or the "Company") (Nasdaq Stockholm: ACE), today announces the final outcome of the rights issue of units that was announced on 10 July 2024 (the "Rights Issue"). The final summary shows that 16,516,072 units, corresponding to approximately 80 percent of the Rights Issue, have been subscribed for by exercise of unit rights. In addition, 4,257,920 units have been subscribed for without exercise of unit rights, corresponding to approximately 20 percent of the Rights Issue. Thus, the Rights Issue is subscribed to a total of 100 percent and hence no guarantee commitments need to be utilized. Through the Rights Issue, Ascelia Pharma initially receives approximately SEK 105 million before issue costs and repayment and set-off of part of the outstanding amount under the convertibles to Fenja Capital II A /S ("Fenja Capital"). Upon full exercise of all issued warrants series TO 1, Ascelia Pharma might receive additional proceeds of approximately SEK 21 – 70 million in April 2025.

"We are extremely pleased with the strong support from our current shareholders, and from new investors in this Rights Issue. The fully subscribed transaction strengthens our financial position in the time ahead. With this successful outcome we are in an even better position to deliver on our key priorities ahead; the filing of the Orvigance NDA by mid-2025 and partnering for Orvigance commercialization. We are excited about the future for Orvigance and for Ascelia Pharma", says Magnus Corfitzen, CEO of Ascelia Pharma.

Final outcome of the Rights Issue

Through the Rights Issue, the Company initially receives approximately SEK 105 million before issue costs and repayment and set-off of part of the outstanding amount under the convertibles to Fenja Capital. Upon full exercise of all issued warrants series TO 1, Ascelia Pharma might receive additional proceeds of approximately SEK 21 – 70 million in April 2025, before issue costs.

The final outcome shows that 16,516,072 units, corresponding to approximately 80 percent of the Rights Issue, have been subscribed for by exercise of unit rights. In addition, 4,257,920 units have been subscribed for without exercise of unit rights, corresponding to approximately 20 percent of the Rights Issue. Thus, the Rights Issue is subscribed to a total of 100 percent and hence no guarantee commitments need to be utilized.

The subscription period in the Rights Issue ended on 3 September 2024. The Rights Issue comprised a maximum of 20,773,992 units whereof each unit consists of three (3) ordinary shares and one (1) warrant series TO 1. One (1) warrant series TO 1 entitles the right to subscribe for one (1) new ordinary share in the Company at a subscription price corresponding to seventy (70) percent 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 the share's quota value and not more than SEK 3.38. Subscription of ordinary shares by exercise of warrants series TO 1 will be made during the period from and including 1 April 2025 up to and including 15 April 2025.

Allotment of units subscribed for without exercise of unit rights

Allotment of units subscribed for without exercise of unit rights have been made in accordance with the principles stated in the prospectus that the Company published on 16 August 2024 in connection with the Rights Issue (the "Prospectus"). Notification of such allocation will be made separately through a settlement note. Payment of subscribed and allotted units shall be made through cash payment in accordance with the instructions in the settlement note. Nominee registered shareholders will receive notification on allocation in accordance with instructions from the respective nominee.

Changes in share capital and number of shares as well as dilution

Through the Rights Issue, the total number of ordinary shares in the Company will increase by 62,321,976 shares, which results in that the total number of outstanding shares in the Company increases from 34,871,177 shares to 97,193,153 shares, whereof 96,079,722 are ordinary shares and 1,113,431 are series C shares. The share capital increases with SEK 62,321,976 from SEK 34,871,177 to SEK 97,193,153. This corresponds to a dilution effect of approximately 65 percent of the total number of ordinary shares in the Company after the Rights Issue.

If all outstanding warrants series TO 1 are exercised in full for subscription of new ordinary shares in April 2025, the total number of shares in the Company will increase by an additional 20,773,992 shares, from 97,193,153 shares to 117,967,145 shares, whereof 116,853,714 are ordinary shares and 1,113,431 are series C shares, and the share capital will increase by an additional SEK 20,773,992, from SEK 97,193,153 to SEK 117,967,145, corresponding to a dilution effect of approximately 18 percent of the total number of ordinary shares in the Company after the Rights Issue and exercise of warrants series TO 1.

Compensation for guarantee commitments

In connection with the Rights Issue, a number of external investors have entered into guarantee commitments. The guarantee commitments entitle to a guarantee fee, either through cash compensation amounting to 11 percent of the guaranteed amount or alternatively 13.5 percent 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 SEK 6.64 (which corresponds to the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the subscription period in the Rights Issue, multiplied by three (3)). If all guarantors were to choose to receive guarantee compensation in units, a total maximum of 1,378,058 units containing 4,134,174 ordinary shares and 1,378,058 warrants series TO 1 would be issued as guarantee compensation. The guarantors will inform whether they want to receive their compensation in cash or in units no later than 9 September 2024.

The issue of units as compensation to the guarantors is, if applicable, intended to be resolved upon by the Company's Board of Directors based on the authorization granted by the extraordinary general meeting on 14 August 2024. Information about the issue resolution will, if applicable, be announced through a separate press release.

Trading in BTU

Trading in paid subscribed units (BTU) is currently ongoing on Nasdaq Stockholm under the short name ACE BTU and will cease on 20 September 2024. Thereafter, after approximately one week, BTU will be converted into ordinary shares and warrants series TO 1. The ordinary shares and warrants will then be admitted to trading on Nasdaq Stockholm as soon as possible after registration with the Swedish Companies Registration Office.

Resolution on Articles of Association

The Extraordinary General Meeting on 14 August 2024 resolved to change the provisions of the Articles of Association regarding the limits of the Company's share capital and number of shares, and that the Board of Directors would be authorized to register the Company's new Articles of Association according to one of three options (alternatively not to register any new Articles of Association at all) based on the outcome in the Rights Issue. Due to the outcome of the Rights Issue, the Board of Directors has decided to change the Articles of Association in accordance with option C. The new Articles of Association will be registered with the Swedish Companies Registration Office in connection with the registration of the Rights Issue.

Issue of convertibles

In accordance with 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 part of the renegotiation, the Company will use SEK 7.5 million of the proceeds from the Rights Issue for repayment of part of the outstanding amount under the convertibles issued in February 2024. In addition to repayment of SEK 7.5 million, the Company and Fenja Capital have, in accordance with what was previously communicated, agreed that the remaining nominal amount of SEK 7.5 million that is still outstanding under the convertibles shall be converted into new convertibles. The Board of Directors of the Company therefore intends, based on the authorization from the Extraordinary General Meeting on 14 August 2024, to resolve on a directed issue of convertibles to Fenja Capital for a total nominal amount of SEK 7.5 million. The consideration for the new convertibles will be paid by offsetting against the corresponding nominal amount of the existing convertibles. The new convertibles will be able to be converted into ordinary shares in Ascelia Pharma at a conversion price of SEK 3.38 per share, which corresponds to 200 percent of the subscription price per share in the Rights Issue, and conversion can be made during the period from and including registration of the convertibles with the Swedish Companies Registration Office up to and including 31 December 2025. Information about the issue resolution will be announced through a separate press release.

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 has only been made through the Prospectus that Ascelia Pharma has published on 16 August 2024. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority and has been published on the Company's website www.ascelia.com. The 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.

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). More information about this can be found 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 Outcome in Fully Subscribed SEK 105 Million Rights Issue](#)