

Annexin Pharmaceuticals

Empowering the body to fight disease

PRESS RELEASE

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Annexin resolves a SEK 35.6 million fully guaranteed rights issue, subject to approval of an Extraordinary General Meeting

The Board of Directors of Annexin Pharmaceuticals AB (publ) ("Annexin" or the "Company") has today resolved on a new share issue with preferential rights for the Company's existing shareholders of approximately SEK 35.6 million before issue related costs (the "Rights Issue"). The Rights Issue is subject to subsequent approval by an Extraordinary General Meeting, scheduled to be held on 24 November 2023. Notice of the Extraordinary General Meeting will be published separately. The Company has received subscription and guarantee commitments from a number of the Company's existing shareholders as well as members of the board and management, securing the Rights Issue to 100 percent.

Summary of the Rights Issue

- Each existing share in the Company as of the record date on 28 November 2023, entitles the holder to one (1) subscription right. Ten (10) subscription rights entitle the holder to subscribe for eleven (11) new shares.
- The subscription price in the Rights Issue is SEK 0.20 per new share.
- The subscription period for the Rights Issue will run from and including 30 November 2023 up to and including 14 December 2023.



- The last day of trading in the shares with the right to receive subscription rights in the Rights Issue is 24 November 2023.
- Prior to the Rights Issue, the Company has received subscription commitments and entered into guarantee commitments totaling approximately SEK 35.6 million, equivalent to 100 percent of the Rights Issue.
- The Rights Issue is conditional upon approval by an Extraordinary General Meeting which is scheduled to be held on 24 November 2023 and requires that the Extraordinary General Meeting also resolves to change the limits for the share capital and the number of shares in the Company's articles of association. Notice of the Extraordinary General Meeting will be published through a separate press release.
- Complete terms and conditions for the Rights Issue and information about the Company will be disclosed in the prospectus for the Rights Issue, which is expected to be published around 28 November 2023.

Background and reasons for the Rights Issue

The Company is developing the biological drug candidate ANXV – a recombinant human protein, Annexin A5 – primarily intended for the treatment of patients with vascular injuries and inflammation but also for cancer. The Company believes that ANXV has the potential to become a so-called First-In-Class drug for multiple diseases. Currently the Company's primary focus is on the ongoing phase 2 study assessing the safety, tolerability, and signals of efficacy of the drug candidate ANXV in the eye disease retinal vein occlusion (RVO). The Company has recently reported promising signals of efficacy identified in a number of ANXV-treated patients.

Furthermore, the Company has made significant progress in its cancer research with the drug candidate ANXV. ANXV can potentially be used as cancer treatment by reducing cancer cells' ability to inhibit the immune system. ANXV can also be chemically linked to a chemotherapy agent, directing the chemotherapy more selectively towards cancer cells. By creating ANXV conjugates, where ANXV is chemically bound to a chemotherapy agent, ANXV has successfully killed cancer cells, including cells from a patient with difficult-to-treat triple-negative breast cancer. This promising result in the preclinical study opens the possibility of developing new cancer drugs with reduced side effects by targeting chemotherapy to the tumor. The Company's view is that this represents a significant achievement in cancer treatment.

During the second quarter of 2023, a bridge loan facility of up to SEK 15 million was obtained from the four largest shareholders, of which to date SEK 10 million have been utilized. The utilized bridge loans are intended to be repaid by offsetting issue proceeds in the Rights Issue. It should be noted that the Company has the option to utilize the remaining SEK 5 million of the bridge loan before the conclusion of the Rights Issue, and if



this occurs, the entire amount is intended to be repaid by offsetting issue proceeds in the Rights Issue. The remaining net proceeds from the Rights Issue, after offsetting the bridge loans, are intended to cover the Company's working capital needs up to the end of March 2024. The Company is working intensively on forming partnerships or licensing agreements for one or more of the Company's development projects before the end of March 2024, but also continuously thereafter. If such agreements are not successfully reached within the given timeframe, the Company's intention is to explore alternative financing options.

Use of issue proceeds

In the event of full subscription in the Rights Issue, the Company will receive approximately SEK 35.6 million before deduction of issuance costs. After settlement of bridge loans, the proceeds from the Rights Issue will be used to strengthen the working capital and are planned to be distributed proportionally as follows, and in case the Rights Issue is not fully subscribed and all actions cannot be carried out, according to the below order of priority:

- **Completion of patient recruitment in Phase 2/Proof of concept study in RVO:** approximately 70 percent
Within the framework of the new optimized study design in the ongoing Phase 2/Proof of concept study in RVO, recruit up to ten patients in cohort 2 with a higher dose of the drug candidate ANXV. The last patient is expected to be enrolled in the study in the first quarter of 2024. Thereafter, the project costs are expected to decrease substantially as the final phase of the project consists of analyzing essential information with the goal of having evaluated the last patient during the summer of 2024.
 - **Completion of preparatory studies in cancer:** approximately 10 percent
Studies on patient blood to identify candidates for future studies and determine appropriate dose levels.
Studies of effects in cell and animal models with ANXV chemotherapy conjugates in comparison with existing conjugate drugs.
 - **Pharmaceutical product-related costs:** approximately 4 percent
Regular stability and other tests throughout the period and development of analytical methods for upcoming phase 2b/phase 3 studies.
 - **Business development and other costs related to research and development:** approximately 13 percent
Business development costs, including legal advice. Patent-related costs. R&D consultants, including costs for meetings with authorities (FDA and EMA).
 - **Other overheads:** approximately 3 percent
Administration.
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Terms of the Rights Issue

Registered shareholders in Annexin as per the record date for the Rights Issue will receive one (1) subscription right for each one (1) share. The subscription rights give the holder the preferential right to subscribe for new shares, where ten (10) subscription rights entitling the shareholder to subscribe for eleven (11) new shares. Only whole shares can be subscribed (i.e., no fractions). In addition, it will be possible to apply for subscription for shares without the support of subscription rights.

In case not all shares are subscribed with the support of subscription rights, the Board of Directors, within the framework of the maximum amount of the Rights Issue, will decide on the allocation of shares subscribed for without subscription rights. The allocation shall primarily be made to those who have subscribed for shares with the support of subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, and, in case of oversubscription, pro rata in relation to the number of subscription rights utilized for subscription, and, to the extent this is not possible, by drawing lots. Secondly, allocation shall be made to others who have applied for subscription without subscription rights and, in case of oversubscription, pro rata in relation to the number of shares such individuals have expressed an interest in subscribing to and, to the extent this is not possible, by drawing lots. Thirdly and lastly, any remaining shares shall be allocated to the parties guaranteeing the Rights Issue, in relation to the guarantee commitments made.

The subscription price has been set to SEK 0.20 per share, which, if fully subscribed, will provide Annexin with approximately SEK 35.6 million in total proceeds before issue related costs.

The record date for determining which shareholders are entitled to receive subscription rights in the Rights Issue is 28 November 2023. Last day of trading including the right to receive subscription rights is 24 November 2023. First day of trading excluding the right to receive subscription rights is 27 November 2023. Trading in subscription rights will take place on the Nasdaq First North Growth Market from and including 30 November 2023 up to and including 11 December 2023. The subscription period for the Rights Issue will run from and including 30 November 2023, up to and including 14 December 2023. Annexin's Board of Directors has the right to extend the subscription period and the payment period, which, if applicable, will be announced by the Company via a press release.

Extraordinary General Meeting



The Board of Directors' resolution on the Rights Issue is conditional upon the approval of an Extraordinary General Meeting scheduled to be held on 24 November 2023. Existing shareholders, representing approximately 69.3 percent of the total number of shares and votes in the Company, have committed to vote in favor of the approval of the Rights Issue, along with related resolutions, at the Extraordinary General Meeting. Notice of the Extraordinary General Meeting will be published in a separate press release.

Subscription Commitments and Guarantee Commitments

The Company has received subscription commitments from a number of the Company's long-term existing shareholders as well as members of the board and management, totaling approximately SEK 24.9 million, equivalent to approximately 69.9 percent of the Rights Issue. No compensation will be paid for entered subscription commitments.

Furthermore, the Company has entered into agreements with a number of the Company's long-term existing shareholders for issue guarantees totaling approximately SEK 10.7 million, equivalent to approximately 30.1 percent of the Rights Issue. Therefore, through subscription commitments and guarantee commitments, the Rights issue is secured up to 100 percent.

Compensation for guarantee commitments is 14 percent of the guaranteed amount. Guarantee compensation is intended to be paid by the Company in the form of newly issued shares in the Company, contingent on the Extraordinary General Meeting authorizing the Board of Directors to resolve on such issue. The subscription price for shares issued as compensation to guarantors shall be equivalent to the volume-weighted average share price (VWAP) of the Company's shares on the Nasdaq First North Growth Market during the subscription period of the Rights Issue, however not less than the subscription price in the Rights Issue. To facilitate the issuance of shares as compensation to guarantors, the Board of Directors will propose that the Extraordinary General Meeting scheduled to be held on 24 November 2023, also authorizes the Board of Directors to resolve on issue of such shares to the guarantors.

Subscription commitments and guarantee commitments are not secured by bank guarantees, escrow accounts, pledges, or similar arrangements. Detailed information about the parties that have entered into subscription commitments and guarantee commitments will be provided in the EU growth prospectus intended to be published before the start of the subscription period.

Prospectus



Complete terms and conditions for the Rights Issue, along with additional information about the Company and further details about subscription commitments and guarantee commitments, will be disclosed in the EU growth prospectus that the Company intends to publish around 28 November 2023 (the “Prospectus”).

Preliminary Timetable for the Rights Issue

24 November 2023	Extraordinary General Meeting
24 November 2023	Last day of trading in the share including the right to receive subscription rights
27 November 2023	First day of trading in the share excluding the right to receive subscription rights
28 November 2023	Record date for participating in the Rights Issue
28 November 2023	Estimated date for the publication of the Prospectus
30 November – 11 December 2023	Trading in subscription rights
30 November – 14 December 2023	Subscription period
30 November 2023 – Until the Rights Issue is registered with the Swedish Companies Registration Office	Trading in paid subscribed shares (Sw. “BTA”)
Around 18 December 2023	Estimated publication of the outcome in the Rights Issue

Shares and dilution

Assuming full subscription in the Rights Issue, the share capital will increase by SEK 2,946,782.621576, from SEK 2,678,893.299865 to SEK 5,625,675.921441 through the issuance of 178,053,023 shares, resulting in the total number of shares increasing from 161,866,385 to 339,919,408, representing a dilution effect of approximately 52.4 percent of the share capital and the number of shares.

For guarantee compensation in the form of newly issued shares, there will be an additional dilution effect of approximately 2.2 percent in relation to the share capital and the number of shares given a fully subscribed Rights Issue (based on the lowest subscription price that may be set to the shares in the issue to guarantors).

Advisors

Redeye AB acts as financial advisor, and Cirio Advokatbyrå AB acts as legal advisor to Annexin Pharmaceuticals in connection with the Rights Issue.

For further information, please contact:



Anders Haegerstrand, CEO, tel +4670 - 575 50 37

This information is information that Annexin Pharmaceuticals 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 24 October 2023 08:30 CEST.

This document has been prepared in a Swedish and English version. In the event of any deviations, the Swedish version shall prevail.

About Annexin Pharmaceuticals AB (publ)

Annexin Pharmaceuticals AB is a leading biotechnology company in the Annexin A5 field for the treatment of various diseases. The company's biological drug candidate ANXV - a human recombinant protein, Annexin A5 - is primarily intended for treatment of patients with injuries and inflammation of the blood vessels, but also for cancer. The company has an extensive patent portfolio for the treatment of diseases with Annexin A5 and for production of Annexin A5.

The Company is based in Stockholm, Sweden and listed on Nasdaq First North Growth Market, under the ticker ANNX. Redeye is the company's Certified Adviser.

Important Information

The information in this press release does not constitute an offer to acquire, subscribe for or otherwise trade with shares, paid subscribed share, subscription rights or other securities in the Company. No action has been taken, nor will any actions be taken, to permit an offer to the public in any other jurisdiction than Sweden. An invitation to eligible persons to subscribe for shares in the Company will only be made through the prospectus that the Company is expected to publish in an authorized manner.

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. In any EEA Member



State, other than Sweden, this communication is only addressed to and is only directed at “qualified investors” in that Member State within the meaning of the Prospectus Regulation.

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This press release contains forward-looking statements that reflect the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.