Press release

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Press release April 4, 2017

Isofol Medical announces the outcome of the Offering – trading on Nasdaq First North Premier commences today

Isofol Medical AB (publ), a clinical stage pharmaceutical company, hereby announces that the offering of newly issued shares in the Company (the "Offering") was substantially oversubscribed. The Offering attracted strong interest among Swedish and international investors. The listing on Nasdaq First North Premier has been successful and the trading commences today.

Anders Rabbe, Managing Director, comments:
"The large interest shown in becoming a shareholder in Isofol, both from investors in Sweden, Europe and in the US, is a strong signal that Isofol's development of Modufolin® rests on a solid platform as well as offering a future commercial potential. We now welcome over 2,600 new shareholders, including some well-known institutions. Isofol is now fully financed until the registration of Modufolin® which is expected in 2021, and we can now continue to work towards initiating the pivotal trial of Modufolin®."

Jan-Eric Österlund, Executive Chairman, comments:
"*We are pleased we have been able to finance our pivotal clinical trial in one step. We can now take Modufolin® all the way to registration and hope to be able to improve the life for hundreds of thousands of cancer patients every year. The strong support we have got from well-known life science investors and several international funds will also help us in future negotiations with partners in a potential licensing deal, as we prepare for the launch of Modufolin®."*

The Offering in brief

- The price in the Offering is, as has been previously communicated, SEK 29 per share, corresponding to a total value of the Company's shares of SEK 487 million, before the Offering.
- Circa 14,828,000 newly issued shares were sold in the Offering, corresponding to approximately 46.9 percent of the outstanding shares and votes after the Offering.
- In addition, to cover any overallotment, the Company has committed, upon Pareto Securities' request, to issue a maximum of an additional 1,482,800 new shares in the Company, corresponding to a maximum of 10 percent of the shares included in the Offering (the **"Overallotment Option"**).
- If the Overallotment Option is fully exercised, the Offering will comprise a maximum of 16,310,800 shares, corresponding to approximately 49.3 percent of the total number of shares in the Company after the Offering.
- The new share issue will render proceeds of SEK 430–473 million to the Company before transaction costs, depending on the extent of the exercise of the Overallotment Option.
- The total number of shares in the Company following the Offering amount to 31,604,500 if the Over-allotment Option is not exercised and 33,087,300 if the Over-allotment Option is exercised in full.
- The new shareholders include both specialist and generalist institutional investors from Sweden and abroad, as well as investors among the general public in Sweden. These include a group of well-known institutions who have subscribed for a significant share of the Offering, such as Handelsbanken Fonder, AFA Försäkring, Rhenman & Partners, Swedbank Robur, Gustavia Fonder and Alfred Berg.
- Trading in the Company's shares on Nasdaq First North Premier commences today, April 4, 2017, under the ticker ISOFOL (ISIN code: SE0009581051).
- Trading is conditional until the settlement day, which is expected to be April 6, 2017.

Advisors
Pareto Securities acted as Global Coordinator and Sole Bookrunner and Vinge was legal advisor in connection with the Offering. FNCA Sweden is Isofol's Certified Advisor.

Background to the Offering
The primary purpose of the Offering is to fund the market registration study for Isofol's drug candidate Modufolin®, which study will be conducted in first line treatment of patients with metastatic colorectal cancer. Given a successful study, Isofol expects to receive regulatory approval for Modufolin® within this indication. In addition, as part of Isofol's development plan for Modufolin®, the Company is planning to conduct studies within rescue therapy following high-dose methotrexate treatment of osteosarcoma patients as well as other supporting studies aiming at benefitting Modufolin's® route to market.

Furthermore, the Board and management of Isofol believe that the Offering is a logical and important next step in the Company's development and will further increase awareness among current and potential partners, customers and key opinion leaders within the pharmaceutical industry. The Offering will also expand Isofol's shareholder base and improve the Company's access to Swedish and international capital markets, which is expected to support the Company's continued development. For these reasons, the Board has applied for a listing on Nasdaq First North Premier.

Third most common cancer
Colorectal cancer is the third most common cancer, affecting both men and women, and is the third leading cause of cancer-related death. Approximately 1.35 million people per year are diagnosed with the disease worldwide. In the US, Western Europe and Japan, where an estimated 550,000 patients are diagnosed with colorectal cancer, about 365,000 patients annually receive a treatment regimen including 5-FU and the folate leucovorin or levoleucovorin, which Isofol is aiming to replace with Modufolin®.

About Isofol Medical AB (publ)
Isofol is a clinical stage oncology company developing Modufolin® as a first-line treatment of metastatic colorectal cancer and as a rescue drug after high-dose methotrexate treatment in osteosarcoma. Isofol aims to replace the existing folate-based compounds leucovorin and levoleucovorin, which today are considered the standard treatment within these indications. Through an exclusive license agreement, Isofol Medical holds all rights to commercialising Modufolin® globally for cancer treatment with access to the unique patented production process and the production capabilities of Merck KGaA, Darmstadt, Germany.

About Modufolin®
Modufolin® (active ingredient [6R]-5,10-methylenetetrahydrofolate), is a novel folate-based compound developed to increase the efficacy and reduce the side effects of antimetabolites used in cancer treatment. It is the key active metabolite of the widely used folate-based drugs leucovorin and levoleucovorin, and therefore does not require metabolic activation. This makes Modufolin® suitable for all patients irrespective of their genetical capacity to activate folates, and it is currently being evaluated in two clinical Phase II studies.

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Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

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