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# PRESS RELEASE

Malmö, 6 March 2019

## Ascelia Pharma's new share issue in connection with the IPO on Nasdaq Stockholm was significantly oversubscribed

**The offering in Ascelia Pharma AB ("Ascelia Pharma" or the "Company") in connection with the Initial Public Offering on Nasdaq Stockholm was significantly oversubscribed. The new share issue (the "Offering") will provide Ascelia Pharma with approximately SEK 200 million before deductions for expenses related to the Offering. The Company's Board of Directors now intends to apply for admission to trading of the Company's shares on Nasdaq Stockholm after Nasdaq Stockholm AB's announcement that the Company complies with Nasdaq Stockholm's listing requirements, provided that certain conditions and customary requirements, including the dispersion requirement for the Company's shares, are fulfilled. The first day of trading is expected to be 13 March 2019 under the ticker "ACE". The Offering generated strong interest amongst notable Swedish and International institutions such as Alto Invest, Handelsbanken Fonder, The Fourth Swedish National Pension Fund, Sunstone Capital, and Øresund-Healthcare Capital.**

**The Offering in brief**

- The subscription period of the Offering was closed on 5 March 2019. The Offering consisted of an offering to the general public in Sweden and Denmark as well as to institutional investors in Sweden and abroad.

- The price per share in the Offering was SEK 25, corresponding to a total value of outstanding shares in Ascelia Pharma upon completion of the Offering of SEK 565 million. Assuming that the Over-allotment Option is exercised in full, the value of the total number of shares in the Company will amount to SEK 595 million.

- The Offering comprised 8,000,000 new shares in Ascelia Pharma, corresponding to SEK 200 million before transaction costs.

- Furthermore, the Company has issued an over-allotment option to Erik Penser Bank AB comprising a maximum of 1,200,000 new shares in the Company, corresponding to 30 million SEK before transaction costs and 15 per cent of the total number of shares in the Offering (the "Over-allotment Option"). The Over-allotment Option can be fully or partly exercised within 30 calendar days from the first day of trading of the Company's shares of Nasdaq Stockholm.

- Assuming that the Over-allotment Option is fully exercised, the Offering will in total comprise a maximum of 9,200,000 new shares in the Company, corresponding to a total value of SEK 230 million, before transaction costs and 38.6 per cent of the total number of shares in the Company after completion of the Offering.

- After completion of the Offering, assuming that the Over-allotment Option is fully exercised, the total number of shares in the Company will amount to 23,806,891. If the Over-allotment Option is not exercised, the total number of shares in the Company will amount to 22,606,891.

- The Offering was significantly oversubscribed and more than 6,000 investors have subscribed for and have been allocated shares in Ascelia Pharma. Due to the oversubscription, all who have applied for subscription in the Offering have not been allocated shares. The Board of Directors has decided on the allocation of subscribed shares in accordance with the allocation principles stated in the prospectus. Notification of allotment and payment of shares is provided in accordance with the respective nominee's procedures. Those who have not been allocated shares will not be notified. The settlement day is on March 11, 2019.

- Alto Invest, Handelsbanken Fonder and the Fourth Swedish National Pension Fund and a number of existing shareholders, including Sunstone Capital and Øresund-Healthcare Capital as well as board members and senior executives, and other external investors have in accordance with the provided subscription undertakings subscribed for shares in the Offering corresponding to a total of SEK 150 million.

- Immediately following the completion of the Offering, assuming that the Over-allotment Option is exercised in full, Ascelia Pharma's largest shareholders will be Sunstone Capital (18.9 per cent of the outstanding shares in the Company), CMC-SPV (12.3 per cent), Øresund-Healthcare Capital (9.1 per cent), Alto Invest (4.9 per cent), Handelsbanken Fonder (4.7 per cent) and the Fourth Swedish National Pension Fund (3.9 per cent).

- Trading in Ascelia Pharma shares on Nasdaq Stockholm is expected to commence on 13 March 2019 under the ticker "ACE" and ISIN SE0010573113.

**Magnus Corfitzen, CEO of Ascelia Pharma**
*"We are very pleased and proud of the interest that many qualitative investors have shown in our company. We will now continue our work by completing the clinical Phase III study and begin commercial preparations for our leading product candidate Mangoral. We can now also commence the Phase II preparations for our second product candidate, Oncoral. "*

**Advisors**
Vator Securities is the Sole Global Coordinator and Bookrunner in connection with the Offering and the Company's financial advisor. Baker McKenzie is legal advisor to Vator Securities. Setterwalls Advokatbyrå is the Company's legal advisor. The issuing agent of the Offering is Erik Penser Bank.

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**About Ascelia Pharma**

Ascelia Pharma is an oncology-dedicated orphan drug development company located in Malmö, Sweden. The Company's strategy is to develop drugs, which target unmet medical needs, have an established mode of action and a relatively low development risk. Ascelia Pharma has two drug candidates currently under development: Mangoral® and Oncoral.

*Mangoral® (MR contrast agent ready for the final clinical Phase):*

Ascelia Pharma's leading product candidate, Mangoral, is a contrast agent used in Magnetic Resonance Imaging (MRI) to improve the visualization of focal liver lesions (liver metastases). Detecting liver metastases at an early stage is crucial for determining the right treatment method and the patient's chances of survival.

The target group for Mangoral is patients with severely impaired kidney function who, due to the risk of serious, and potentially fatal, side effects cannot use today's heavy-metal gadolinium-based contrast agents. It is for this specific patient group that Mangoral can provide the contrast agent they currently lack.

Mangoral is now entering clinical Phase III studies (the last clinical Phase before market approval). Patient recruitment for the study is expected to commence during H2 2019 and final results from the study are expected to be presented at the end of 2020/early 2021.

The addressable market for Mangoral is estimated at USD 350–500 million and Mangoral is expected to be the only product on the market in its segment.

Mangoral has received Orphan Drug Designation from the US Food and Drug Administration (FDA). One major advantage of orphan drug status is, among other things, that orphan drugs can obtain market exclusivity for a number of years after market approval (seven years in the US and ten years in the EU/EEA).

*Positive response from the FDA on the Phase III study design for Mangoral*

The six clinical studies already completed provide strong support for Mangoral and reduce the risks associated with the Phase III study. Ascelia Pharma estimates that Mangoral has greater chances of success in Phase III clinical trials than an average cancer drug. This is due to the known mode of action and a high degree of similarity between the primary endpoints for Mangoral in Phase II and Phase III.

The Phase III program for Mangoral also requires fewer patients compared to typical Phase III studies in oncology; and the follow-up time for patients is only a few days, compared to months or years for a regular oncology Phase III study. For orphan drugs, the time to approval is usually shorter and the proportion of orphan drugs that are approved is higher than for ordinary drugs.

*Oncoral (chemotherapy treatment in tablet form, ready for Phase II):*

Ascelia Pharma's second drug candidate, Oncoral, is an oral chemotherapy tablet focused on the treatment of gastric cancer. which is also considered an orphan drug indication. Oncoral is taken in

tablet form, giving patients the opportunity to take part of their chemotherapy at home and at the same time enabling cost savings for the hospitals.

Oncoral completed Phase I studies in 2018 with promising results that were presented at the European Society for Medical Oncology (ESMO) annual congress. Oncoral is now ready for Phase II development. The clinical development strategy for Oncoral is to obtain Phase II data and then enter into collaborations with a suitable partner for further development, market approval and commercialization.

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This announcement is not and does not form a part of any offer for sale of securities.

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This announcement is not a prospectus for the purposes of Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive"). A prospectus prepared pursuant to the Prospectus Directive has been published and can be obtained from the Company. Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

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assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. 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 information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

In connection with the offer or sale of securities referred to herein, the Erik Penser Bank AB may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilisation action or over-allotment will be conducted by the Erik Penser Bank AB in accordance with all applicable laws and rules.