

AlzeCure intends to carry out a rights issue of approximately SEK 31.7 million

AlzeCure Pharma AB ("AlzeCure" or "the Company"), a pharmaceutical company that develops a broad portfolio of small molecule drug candidates for diseases affecting the central nervous system, with projects in both Alzheimer's disease and pain, today announced that the Company's Board of Directors has resolved on a new issue of shares of approximately SEK 31.7 million, with preferential rights for existing shareholders (the "Rights Issue"). The Rights Issue is subject to approval at an Extraordinary General Meeting on November 29, 2022. Record date for participation in the Rights Issue is December 2, 2022. According to the terms of the Rights Issue, six (6) existing shares in AlzeCure entitle subscription for one (1) new share at a price of SEK 3.75 per share. The Rights Issue is secured to approximately 82.6 percent through subscription and guarantee commitments from current shareholders and the Company's management and Board of Directors. To enable additional capital injection, the Board may exercise an over-allotment option of up to SEK 15.0 million (the "Over-allotment Option"). If the Over-allotment Option is exercised in its entirety, the maximum capital injection amounts to approximately SEK 46.7 million. The exercise of the Over-allotment Option is contingent on resolution by the Board of Directors to issue new shares with the support of the existing authorization to issue new shares. Notice of the Extraordinary General Meeting is published via a separate press release.

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Background and motives for the Rights Issue

AlzeCure Pharma, a phase-II drug development company, develops new drug candidates through three different research platforms: NeuroRestore®, Alzstatin® and Painless. NeuroRestore consists of two symptomatic drug candidates where the mechanism of action allows for treatment of multiple indications, including Alzheimer's disease, as well as other diseases with cognitive dysfunction such as Parkinson's disease, traumatic brain injury and sleep apnea. The Alzstatin platform focuses on developing preventive and disease-modifying drug candidates for early treatment of Alzheimer's disease and consists of two projects. Painless is the Company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets other types of severe pain in conditions such as arthritis. To finance the continued value-creating development of the Company's drug candidates as well as business development - efforts aimed at out-licensing or finding a collaboration partner for the Company's projects - the Company's board has resolved on the implementation of the Offer.

Within the pain research platform Painless the Company's most advanced candidate ACD440, against neuropathic pain, is currently undergoing a clinical phase IIa study, where results are expected to be communicated in the summer of 2023. The study aims to evaluate the drug candidate's analgesic effects in patients with peripheral neuropathic pain, but also evaluate its tolerability and safety with repeated dosing. The start of the phase IIa study is based on a positive phase Ib study, where both analgesic effects and good tolerability and safety were affirmed. In addition to ACD440, also the TrkA-NAM project is included in the research platform, which is an asset for the treatment of severe pain conditions with a focus on knee arthritis. In 2023, AlzeCure plans to enter the next development phase with TrkA-NAM, pre-clinical development phase to continue the development towards a clinical drug candidate.

AlzeCure's research platform NeuroRestore has seen significant research successes in 2022 with positive clinical study results for the candidate ACD856, which in addition to good safety and tolerability from the phase I studies, also showed an effect on brain activity, EEG. The results, together with previously reported data, show that the substance crosses the blood-brain barrier in high and relevant concentrations as well as reaching and activating neuronal pathways in the brain, with the potential to have positive effects on cognition. The Company has consequently completed these phase I studies for ACD856 and is now ready for phase II studies in patients. Based on the successful results from the clinical studies as well as the recently obtained pre-clinical results showing a potentially protective and disease-modifying effect, AlzeCure will in 2023 continue the work of developing an updated clinical plan for ACD856 with the goal of submitting a pre-IND application to the US Food and Drug Administration, FDA.

The research platform Alzstatin contains two projects that intends to act as preventive and disease-modifying treatments of early Alzheimer's disease. AlzeCure is developing its candidates with the aim to enter an earlier phase in the disease than the antibody treatments. This is due to that the treatment targets the production of the specific building blocks (proteins) that ultimately form the amyloid plaques that are believed to contribute to the development of Alzheimer's disease. The treatment is therefore particularly suitable as a preventive treatment but could also potentially be used in combination with antibody treatments for later stages of Alzheimer's disease. During 2023, AlzeCure will push the development of ACD680 further into the pre-clinical development phase.

In parallel with these development steps, the Company works intensively with business development to find a out-licensing and/or collaboration partner for the Company's drug candidates, which would contribute to strengthening the Company's long-term financial and development opportunities of the Company's entire project portfolio. This includes costs for marketing activities as well as negotiation and legal costs.

In order to finance the above investments of AlzeCure's drug candidates, the Company carries out the Rights Issue. The offer provides the Company, if fully subscribed, with proceeds of approximately SEK 29.6 million, after issue costs amounting to approximately SEK 2.1 million. The net cash is intended for the following areas of use, in order of priority:

- Business development, 11 percent
- Research & development, 64 percent
- Working capital, 25 percent

"2022 has been successful with progress in all development projects. We are approaching an exciting year in AlzeCure's development and the strong support from our main owners is very gratifying. The Rights Issue secures the funds we need to carry out several value-creating development steps in our research portfolio", said AlzeCure's CEO Martin Jönsson

Summary of the Rights Issue

- One (1) existing share in AlzeCure held on the record date December 2, 2022, entitles to one (1) subscription right. Six (6) subscription rights entitle to subscription of one (1) newly issued share.
- The subscription price amounts to SEK 3.75 per share. Payment must be made in cash.
- Through the Rights Issue, AlzeCure can receive a maximum of approximately SEK 31.7 million before issue costs, which are estimated to amount to SEK 2.1 million.
- The subscription period runs during December 6 – 20, 2022.
- Subscription rights that are not exercised during the subscription period become invalid and lose their value. Trading in subscription rights is planned to take place on the Nasdaq First North Premier Growth Market during the period December 6 – 15, 2022.
- The Rights Issue implies that the Company's share capital increases by a maximum of SEK 211,389.00, corresponding to a maximum of 8,455,560 shares, corresponding to a maximum dilution of 14.3 percent.
- In case all shares are not subscribed for with preferential rights (i.e. with the support of subscription rights), the Board shall, within the maximum amount of the Rights Issue, resolve on the allotment of shares subscribed without the support of subscription rights, whereby allotment firstly shall be made to those who also subscribed for shares exercising subscription rights and, in the event that they cannot receive a full allotment, allotment will be made in relation to their subscription on the basis of exercised subscription rights and, if this is not possible, by drawing lots, and secondly allotment shall be made to those who have subscribed for shares in the issue without the support of subscription rights and, in the event that they cannot receive a full allotment, allotment will be made in proportion to the number of shares each has subscribed for and, if this is not possible, by drawing lots. Ultimately, allocation shall be made to guarantors and in relation to the guarantee commitments made.
- Corresponding allotment criteria apply to the Over-allotment Option.
- The Board's resolution on the Rights Issue is conditional that the Extraordinary General Meeting on November 29, 2022, approves the Rights Issue. Notice of the Extraordinary General Meeting is published separately in connection with the publication of this press release.
- The Rights Issue is secured with subscription commitments and guarantee commitments from current shareholders and the Company's management and Board of Directors to a total of SEK 26.2 million. The subscription commitments amount to approximately SEK 10.2 million, corresponding to approximately 32.1 percent of the Rights Issue and the guarantee commitments amount to approximately SEK 16.0 million, corresponding to approximately 50.5 percent of the Rights Issue. The subscription and guarantee commitments have been agreed in writing. No compensation is paid for the subscription or guarantee commitments. The subscription and guarantee commitments are not secured by bank guarantee, blocking funds, pledges or similar arrangements.

Complete terms and conditions for the Rights Issue and other information about the Company will be available in the EU growth prospectus which is expected to be published around December 1, 2022. The schedule below is preliminary and may change.

Preliminary schedule for the Rights Issue

November 30, 2022 Last trading day including the right to receive subscription rights

December 1, 2022 First trading day excluding the right to receive subscription rights

December 1, 2022 Publication of the prospectus

December 2, 2022 Record date for participation in the Rights Issue

December 6 - 20, 2022 Subscription period

December 6 - 15, 2022 Subscription rights Trading at Nasdaq Premier First North Growth Market

December 22, 2022 Announcement of the outcome in the Rights Issue

Change in share capital and number of shares and dilution

Through the Rights Issue, the share capital in the Company increases by a maximum of SEK 211,389.00, from SEK 1,268,334.125 to SEK 1,479,723.125, by the issue of a maximum of 8,455,560 shares. The number of shares thus increases from 50,733,365 to a maximum of 59,188,925 shares. For existing shareholders who do not participate in the Rights Issue, this implies, when fully subscribed, a dilution effect of 14.3 percent of the capital and votes in the Company.

Over-allotment Option

In order to enable additional capital injection if the Rights Issue is oversubscribed, the Board may exercise the Over-allotment Option. Upon full exercise of the Over-allotment Option, the Company will receive an additional SEK 15.0 million. Upon full exercise of the Over-allotment Option, the number of shares in the Company will increase by an additional 4,000,000 shares, subscribed for at a price of SEK 3.75 per share. The exercise of the Over-allotment Option is contingent on resolution by the Board of Directors to issue new shares with the support of the existing authorization to issue new shares. If the Over-allotment option is fully exercised, the share capital will increase by an additional SEK 100,000.00 to SEK 1,579,723.125, corresponding to a dilution of approximately 6.3 percent. The total dilution then amounts to approximately 19.7 percent.

Approval at the Extraordinary General Meeting

In order to obtain the approval of the Board's issue resolution in a General Meeting, the Board will convene the Company's shareholders to an Extraordinary General Meeting, which is planned to be held on November 29, 2022. Notice of the Extraordinary General Meeting will be published in a separate press release.

Advisor

In connection with the Rights Issue, AlzeCure has hired Erik Penser Bank AB and Synch Advokat AB as financial and legal advisers.

Important information

The information in this press release does not contain nor constitute an offer to acquire, subscribe for or in any other way trade with shares, warrants or other securities in AlzeCure. No measures have been taken and no measures will be taken in order to allow for an offer to the public in any other jurisdictions than Sweden. Offer to for the relevant persons to subscribe for shares in AlzeCure will only be made through the prospectus which AlzeCure estimates will be published around December 1, 2022.

The information in this press release may not be made public, be published or distributed, directly or indirectly, within or to USA, Belarus, Russia, Australia, Hongkong, Japan, New Zealand, Switzerland, Singapore, South Africa or any other jurisdiction where such action would be illegal, subject to legal restrictions or require other actions than what is stipulated under Swedish law. Any actions not in compliance with these instructions may constitute a violation against applicable securities regulation. No shares or other securities in AlzeCure have been registered, and no shares or other securities will be registered, under United States Securities Act of 1933 ("Securities Act") as in force from time to time or under the securities laws in any state or other jurisdiction in the US and may not be offered, sold or in any other way transferred, directly or indirectly, in or to the US, except for pursuant to an applicable exemption from, or in a transaction not subject to, the registration rules in the Securities Act and in compliance with the securities regulations in the relevant state or other jurisdiction in the US. This communication is distributed and aimed for only persons in Great Britain who are (i) professional investors under Article 19(5) in UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("Order") as in force from time to time or (ii) subjects with a high net wealth and other persons to whom this message can be legally addressed, who are subject to Article 49(2)(a)-(d) in the Order (all those persons referred to as "Relevant Persons"). Persons who are not Relevant Persons may not act on or rely on the information in this communication. An investment or investment action referred to in this communication is only possible for Relevant Persons and will only be closed with Relevant Persons. Persons who distribute this communication must themselves make certain that such distribution is allowed.

Forward-looking statements

This press release contains forward-looking statements regarding the Company's intentions, assessments, or expectations in respect of the Company's future results, financial position, liquidity, development, prospects, expected growth, strategies and possibilities as well as the market within which the Company operates. Forward-looking statements are statements which do not refer to historical facts and which typically contain words such as "considers", "expects", "predicts", "intends to", "estimates", "will", "can", "presumes", "should", "may" and, in each case, negations thereof or other similar expressions. The forward-looking statements in this press release are based on different assumptions which, in several cases, are based on additional assumptions. Even if the Company considers the assumptions which are reflected in these forward-looking statements to be true, it cannot be guaranteed that they will in fact occur or that they are correct. Given that these assumptions are based on assumptions or estimates and that they are subject to risks and uncertainties, the actual result may, for many reasons, substantially deviate from what is stated in the forward-looking statements.

Such risks, uncertainties, eventualities, and other significant factors may lead to the actual events deviating substantially from the expectations that have been explicitly or implicitly provided for under this press release through the forward-looking statements. The Company does not guarantee that the assumptions which the forward-looking statements in this press release are based on are correct, and a reader of this press release should not unduly rely on the forward-looking statements contained herein. The information, opinions, and forward-looking statements which are either explicitly or implicitly presented herein, are only provided as of the day of this press release and may be subject to change. Neither the Company nor anyone else undertakes to oversee, update, confirm or provide public notification in respect of any change of any forward-looking statement for the purpose of reflecting the actual events or circumstances which occurs in respect of the content of this press release, unless required by law or Nasdaq First North Growth Market's rules for issuers.

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About AlzeCure Pharma AB (publ)

AlzeCure® is a Swedish pharmaceutical company that develops new innovative small molecule drug therapies for the treatment of severe diseases and conditions that affect the central nervous system, such as Alzheimer's disease and pain – indications for which currently available treatment is very limited. The company is listed on Nasdaq First North Premier Growth Market and is developing several parallel drug candidates based on three research platforms: NeuroRestore®, Alzstatin® and Painless.

NeuroRestore consists of two symptomatic drug candidates where the unique mechanism of action allows for multiple indications, including Alzheimer's disease, as well as cognitive disorders associated with traumatic brain injury, sleep apnea and Parkinson's disease. The Alzstatin platform focuses on developing disease-modifying and preventive drug candidates for early treatment of Alzheimer's disease and comprises two drug projects. Painless is the company's research platform in the field of pain and contains two projects: ACD440, which is a drug candidate in the clinical development phase for the treatment of neuropathic pain, and TrkA-NAM, which targets other types of severe pain in conditions such as arthritis. AlzeCure aims to pursue its own projects through preclinical research and development through an early clinical phase and is continually working on business development to find suitable solutions for license agreements with other pharmaceutical companies.

FNCA Sweden AB is the company's Certified Adviser. For more information, please visit www.alzecurepharma.se

This information is information that AlzeCure 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 2022-11-10 08:00 CET.

Attachments

AlzeCure intends to carry out a rights issue of approximately SEK 31.7 million