



## Information on subscription of units

Annexin Pharmaceuticals AB (publ)

In this information leaflet, "Annexin" or "the Company"

This information leaflet merely represents an introduction to and a simplified description of the offer (the "Offer") to subscribe for units consisting of shares and warrants in Annexin. This information brochure does not contain a complete basis for an investment decision, and does not constitute a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017. For complete information and terms and conditions, please refer to the prospectus ("Prospectus") prepared by the Board of Directors of the Company in connection with the Offer. The Swedish Financial Supervisory Authority's approval of the Prospectus shall not be construed as an approval of the securities offered. Any investment decisions should only be made based on the information in the Prospectus, in order for an investor to fully understand the potential risks and benefits associated with the decision to participate in the Offer. The Prospectus has been made available to the public and can be obtained on the websites of Annexin and Redeye AB ("Redeye"), [www.annexinpharma.com](http://www.annexinpharma.com) and [www.redeye.se](http://www.redeye.se), and will be available on the Swedish Financial Supervisory Authority's website ([www.fi.se](http://www.fi.se)). The Prospectus and subscription notes can also be obtained free of charge from Hagberg & Aneborn by email, [info@hagberganeborn.se](mailto:info@hagberganeborn.se), or by phone +46 (0) 8 408 933 50. The Offer is not intended for the general public in any jurisdiction other than Sweden and no securities in the Company may be offered, subscribed, sold, or transferred, directly or indirectly, in or to persons resident in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or South Korea, or in any other jurisdiction where participation would require additional prospectuses, registrations or other measures than those provided by Swedish law. This information leaflet, the Prospectus, the application form and/or other documents related to the Offer may not be distributed in or to any jurisdiction where the Offer requires measures as above or would be contrary to applicable law in such jurisdiction. Notification for subscription of securities in the Company in violation of the above restrictions may be considered invalid and measures in violation of the restrictions may constitute a violation of applicable securities legislation. Investors who want to invest or considers investing in Annexin are urged to read the Prospectus in its entirety before making an investment decision.



# Introduction

Annexin is a Swedish biotech company, within the Annexin A5 field, which develops treatments for various cardiovascular diseases. The Company's biological drug candidate ANXV – a human recombinant protein – is primarily intended for acute or sub-acute treatment of patients with damage to, and inflammation of, the blood vessels. The Company has an extensive patent portfolio for treatment of diseases that occur due to damage and inflammation of the blood vessels. Annexin Pharmaceuticals has established and optimised a cell line for large scale production of ANXV.

Annexin A5 is a defence protein produced in the body and exhibits numerous interesting characteristics, such as:

- 1) immediately finds damaged cells
- 2) builds a shield in the form of a protective layer on the surface of the cell
- 3) heals a damaged cell membrane
- 4) reduces inflammation

As such, Annexin A5 has a multi-stage effect, where it demonstrates an immediate protective, repairing, and long-term anti-inflammatory effect, especially in blood vessels and the heart. Annexin A5 is part of a natural cellular defence, however this defence may need to be intensified in certain emergency situations, such as vascular disease, and an inability to produce Annexin A5 is linked to both vascular disease and aging.

Retinal vein occlusion (RVO) is an eye disease, and one of the most common causes of vision loss, affecting over 16 million people globally at some point in their lives. At least 500 000 people in the US are affected by RVO on an annual basis, and approximately 1.2 million in Europe suffer from the disease. RVO can be subdivided into "branch retinal vein occlusion/BRVO" and "central retinal vein occlusion/CRVO". ANXV has the potential to provide a treatment effect in both subgroups.

## Technology and product

The Company's technology, which to a certain extent is patentable, mainly concerns the treatment of various diseases with the protein Annexin A5, and how the human protein efficiently and, to a high quality, is produced with recombinant technology to become the specific drug candidate ANXV. During the development of the Company's technology, significant value is created in the form of know-how and trade secrets. A large number of studies are being carried out, the results of which provide unique information that the Company uses in discussions with, among others, authorities and potential partners. In addition to approved patents and patent applications, the Company may also apply for other types of rights protection. Within the pharmaceutical industry, for example, there is a so-called "regulatory exclusivity", which refers to additional protection for innovative biological substances (biologics). In the US, the FDA can grant data and market exclusivity to innovative biologics for a period of up to 10 years. In Europe, the EMA can grant market exclusivity to innovative biological drugs for a period of up to a maximum of 11 years for a specific indication.

ANXV is, to the extent of the Company's knowledge, the only product under development that is expected to remove the blockage and reduce the inflammation in the vein that causes RVO, and thereby a new type of mechanism of action and treatment can be offered to the patients. This assessment is primarily based on the fact that ANXV is expected to block the stickiness seen in red blood cells of many RVO patients, and which is considered a cause of RVO. There are currently no drugs that treat the cause of RVO, however, complications associated with RVO are treated with so-called anti-VEGF medication, with the aim of preventing swelling and development of new disruptive blood vessels in the retina, or corticosteroids to treat inflammation. These drugs, which are both injected or implanted directly into the eye, have no obvious positive effect in the acute phase, and vision defects remain for many patients despite the treatment. The global market for RVO treatment is potentially over 20 USD billion by 2023, and if ANXV works effectively and can in part replace today's therapies, the market potential is significant.

Annexin A5 has also been shown through animal experimentation to affect the growth of cancer cells by helping the body's immune system to repel cancer cells. Through research on viral diseases, and most recently COVID-19, it has been suggested that phosphatidylserine – the substance that Annexin A5 can bind to and neutralise – is a driving factor in the formation of blood clots, and the virulent inflammation of patients with COVID-19, further highlighting the broad therapeutic possibilities of ANXV.

### Recombinant

*Several DNA chains are combined so that they together can result in a living cell, often a bacterium, to produce large amounts of a certain protein. The cell uses all its machinery to produce the desired protein. In the Company's case, it is then called recombinant Annexin A5, or ANXV, which is then purified and can be used as a drug. The production process is complicated, which is why recombinant proteins are becoming relatively expensive drugs.*

As ANXV is based on Annexin A5, which is a naturally occurring substance, it is not possible to patent ANXV in the same way as is normally the case for a completely novel chemical compound. Therefore, patenting is instead focused on the production and areas of use for ANXV. According to the Company, the patent that protects the manufacturing process involves a built-in specific product protection for ANXV that protects it from competitors' possible attempts to create similar molecules with recombinant technology for medical use.

The Company believes the patent portfolio is strong, and that its scope is crucial in order to be able to protect the use of ANXV in the primary therapy area of interest – retinal venous occlusion (RVO) – and in the wider areas of therapy, such as myocardial infarction and peripheral artery disease, including balloon angioplasty. The strategy of maintaining a broad patent portfolio is primarily aimed at increasing the possibility for future partners/licensees/buyers to be able to perform several clinical efficacy studies in order to expand the number of indications, so-called label expansion.



## Strategy and goal

Annexin's business model is based on maintaining and strengthening its position within the Annexin A5 field, as well as minimising development risks and optimising the value of the ANXV programme through in-house development, partnerships, licensing, or sales. The Company's initial focus is on in-house development for the treatment of RVO.

The Company primarily intends to perform an in-house so-called phase 2/proof of concept study in the prioritised indication, RVO. According to the Company, this is a study that will significantly increase the probability of choosing the correct endpoints and otherwise optimise the subsequent phase 2/3 studies. Study data will also be able to increase the interest for partnerships, licensing, or an acquisition on more advantageous terms for the Company. In parallel to the in-house development of ANXV in RVO, the Company intends to seek one or more partners for collaboration, licensing, or sales of ANXV in other vascular diseases, as well as diseases outside of the cardiovascular field. The markets that the Company are aiming for are global markets for pharmaceuticals in various disease areas,

where the initial focus is RVO. The Company plans to be able to reach markets for less common diseases on its own account, while other larger indications will most likely require different types of partnerships.

The Company's main strategy is to develop ANXV for RVO, and possibly other smaller indications that are identified overtime and take them to market itself. As such, the Company would become a fully integrated pharmaceutical company. It is Annexin's opinion that the combination of data and development plans in RVO, including imaging data from patients with RVO, and the Company's investigative work around new data within, for example, COVID-19 and cancer, combined will create significant interest in the Company, and thereby lead to valuable deals. The timing of deals in relation to costs and conditions for financing additional value-creating studies is continuously evaluated. The opportunities to expand the project portfolio to include other clinical indications for ANXV, as well as activities that relate to the potential of ANXV outside of clinical therapy, create further conditions for entering into various types of favourable partnerships.

## Motives for the offering

The Board of Directors assesses that the Company's current working capital is not sufficient to finance the Company's working capital needs, as well as the following commitments for the upcoming twelve-month period from the date of the Prospectus. Annexin is now carrying out a rights issue, with the main purpose of financing the forthcoming clinical studies along with associated costs in connection with the research and development of the ANXV programme.

In the case of a fully subscribed rights issue, Annexin will receive approximately MSEK 73.5, before deductions for costs related to the rights issue, amounting to approximately MSEK 10.5 (of which costs for guarantee commitments amount to approximately MSEK 3.2). Upon full exercise of the warrants of series TO3, the Company will receive an additional MSEK 18–29, approximately, before deductions for costs related to the rights issue (depending on the final exercise price for the new shares that may be subscribed for through the exercise of the warrants).

In connection with the rights issue, a bridge loan of approximately MSEK 22, including interest, is to be repaid by the Company through offsetting issue proceeds. The remaining issue proceeds, including any proceeds from the exercise of warrants, will be used to strengthen

working capital, and is planned to be distributed proportionally as below, and, in the event the rights issue is not fully subscribed and all measures therefore cannot be implemented, according to the following priorities:

- 1. Clinical development costs including Phase 2/Proof of Concept clinical trial in RVO: approximately 42%**
- 2. ANXV product-related costs: approximately 19%**
- 3. Business development, product protection, and other costs related to research and development: approximately 29%**
- 4. Other overhead costs: approximately 10%**

*Specified percentages are approximate and may therefore be adjusted slightly.*

The rights issue is 100% covered by subscription commitments and guarantee commitments from current shareholders and new investors, as well as an investment commitment from a group of current shareholders to exercise all warrants that each party has acquired in conjunction with the rights issue to subscribe for shares in the Company and guarantees that the Company will receive at least MSEK 17 upon the redemption of warrants of series TO3.

# The offer in brief

<b>The Offer:</b>	The Offer consists of a maximum of 58 817 169 newly issued shares corresponding to a total of MSEK 73.5, as well as a maximum of 58 817 169 warrants of series TO3. For each existing share in the Company, three (3) unit rights are received. Four (4) unit rights give the right to subscribe for one (1) unit, consisting of one (1) new share and one (1) warrant of series TO3.
<b>Trading in unit rights:</b>	Trading in unit rights will take place on Nasdaq First North Growth Market (“ <b>First North</b> ”) during the period from 20-29 October 2021. Shareholders shall make direct contact with their bank or other trustee with the necessary permissions to perform purchases or sales of unit rights. Unit rights that are acquired during the above-mentioned trading period entitle, during the subscription period, the same right to subscribe for new shares as the unit rights shareholders receive based on their holdings in the Company on the record date.
<b>Trading in BTU (Sw: “Betald tecknad unit)</b>	Trading in BTU will take place on First North from 20 October 2021 until the rights issue is registered with the Swedish Company Registration Office (Sw: “Bolagsverket”) and the BTU is converted into shares and warrants, which is expected to take place during week 48, 2021.
<b>Subscription period:</b>	The subscription of units will take place from 20 October 2021 up to and including 3 November 2021. The Board of Directors reserve the right to extend the subscription period and payment period, which is to be announced and made public at latest on the last day of the subscription period.
<b>Subscription price:</b>	SEK 1.25 per unit, corresponding to SEK 1.25 per share. The warrants are issued free of charge.
<b>Issue volume:</b>	The Offer comprises a maximum of 58 817 160 newly issued shares, corresponding to a total of approximately MSEK 73.5, and a maximum of 58 817 169 warrants of series TO3.
<b>Warrants:</b>	The warrants of series TO3 that are issued in conjunction with the rights issue give the holder the right to subscribe for new shares during the period 14 April 2022 up to and including 28 April 2022. Four (4) warrants of series TO3 entitle the holder to subscribe for one (1) newly issued share at a subscription price of 70 per cent of the volume weighted average price for the Company's share on First North during a period of ten (10) trading days immediately prior to 12 April 2022, however, not less than SEK 1.25 and a maximum of SEK 2 per share. The warrants have the ISIN code SE0017070899 and will be traded on First North. For complete terms relating to the warrants, please refer to the detailed warrant terms found on the Company's website.
<b>No. of shares prior to the Offer:</b>	78 422 982
<b>ISIN code and ticker:</b>	The shares have the ISIN code (SE0009664154) and ticker (ANNX). Warrants of series TO3 have the ISIN code SE0017070899.
<b>Subscription commitments:</b>	Approximately MSEK 30.6, corresponding to approximately 42 per cent of the rights issue.
<b>Guarantee commitments:</b>	Approximately MSEK 40.7, which, provided that the subscription, as a minimum, takes place corresponding to at least the subscription commitments, corresponds to 100 per cent of the rights issue.

## Addresses

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