

Newsletter

June 2022

"We expect to have a busy summer as we work to get the FALCON study started before the end of 2022"

Preparing the FALCON for takeoff

Glad midsommar! I hope you all have a festive day tomorrow surrounded by family and friends (and hopefully good weather). My favorite midsummer was spent in Dalarna, Sweden, in 2017 when we were welcomed into the town festivities and helped raise the 'majstång'. A great memory.

The highlight since the last newsletter is clearly the announcement of our SEK 200 million financing comprised of a directed share issue and a rights issue (the subscription period for the rights issue continues until 27 June). We held two well attended shareholder meetings in Lund and Stockholm this week and were happy to meet many of you during those events. Thank you to all of you who have participated in this important financing raise.

The team continues to be focused on the start up of the KL1333 Phase 2/3 study (FALCON), working closely with our contract research organization, ICON, to start contracting with the sites who will participate in the study. We are also in discussions with the regulatory and ethics committees to finalize the remaining details on the study. We expect to have a busy summer as we work to get the FALCON study started before the end of 2022.

In other news, Magnus, Fia and I participated in the annual meeting of the United Mitochondrial Disease Foundation (UMDF) in Phoenix last week where we were

able to generate interest in the study as well as meet with physicians and patients with mito disease. And next week Eleonor will attend the Bioblast 2022 meeting in Austria where she will give a presentation summarizing our recent publication "Towards a treatment for mitochondrial disease: current compounds in clinical development". These events are very important as we work to raise awareness of Abliva, KL1333, and our upcoming study with physicians and patients.

Also read the interview with our CFO Catharina Johansson.

Hope you all have a relaxing summer, and we look forward to providing another update in the Q2 report in August.

Best wishes,



Ellen Donnelly
CEO



BioStock article, June 1, 2022

Abliva secures funding to advance KL1333 into Phase 2/3

It has undeniably been an eventful week for Swedish biotech Abliva. On Tuesday (May 31), the company, whose focus is primary mitochondrial diseases, announced that they are conducting a 200 MSEK financing round. The bulk of the raised capital will be used to finance the upcoming registrational phase II/III trial with lead candidate KL1333.

Primary mitochondrial diseases affect the cells' ability to convert energy and can lead to severe symptoms, such as stroke-like episodes, muscle weakness and heart failure. As there are few treatment options available today the medical need is extensive.

Two mitochondrial disease candidates

Abliva's two mitochondrial disease candidates KL1333 and NV354 have both shown promise within the space. KL1333, the company's most advanced drug candidate, is developed for the treatment of several mitochondrial diseases in adults. The candidate made considerable progress in 2021 with FDA's approval of the Investigational New Drug application in the fourth quarter. This year Abliva aims to initiate a registrational phase II/III study and just reported approval of the study by UK regulators in the Q1 report issued on Tuesday.

The company's second candidate for mitochondrial disease, NV354, is being developed for the treatment of Leigh's syndrome. The company is about to embark on the assembly of the regulatory documentation necessary for a clinical phase I trial approval.

Capital injection to finance phase II/III

In order to advance its two candidates, Abliva needed to secure funding, a feat that the company has now achieved, despite the rather challenging market conditions.

On Tuesday evening Abliva announced that it had secured 200 MSEK in funding, which will primarily be used to fund the phase II/III study of KL1333.

The company raised 150 MSEK through a directed share issue to several life science specialists and institutional investors, such as London-based IP Goup and Norwegian OPF. Abliva's largest shareholder Hadean Ventures will

also take part in the financing round. Additionally, Hadean will also convert its outstanding convertible loan, corresponding to 26 MSEK plus accrued interest.

Abliva will also raise 50 MSEK through a fully underwritten rights issue of approximately 50 MSEK. The subscription price in both the directed issue and the rights issue is set to 0.35 SEK per share, a 10 per cent discount to the share price at market close on 31 May.

The subscription period in the rights issue runs from June 10th, 2022, until and including June 27th, 2022. The total dilution of the issues amounts to approximately 58.8 per cent based on the total number of shares in Abliva after both the rights issue and the directed issue.

Eighty-five per cent of the proceeds will go towards the phase II/III clinical trial evaluating the company's lead asset, KL1333. Remaining financing will be used for preparation of NV354 for clinical development and supporting general and administrative expenses until mid-2024.

Comments from the CEO

BioStock spoke with Abliva's CEO Ellen Donnelly in a studio interview where she commented on the news:

"Now when the financing is secured, we can finally focus on what we love doing, which is developing new novel therapies for patients with these rare diseases."

The preferential rights issue in short

Subscription period

June 10 – 27, 2022.

Preferential right to subscribe

Shareholders in Abliva receive one (1) subscription right per share held on the record date of 8 June 2022. Eleven (11) subscription rights entitle to subscribe for four (4) new shares.

Subscription price

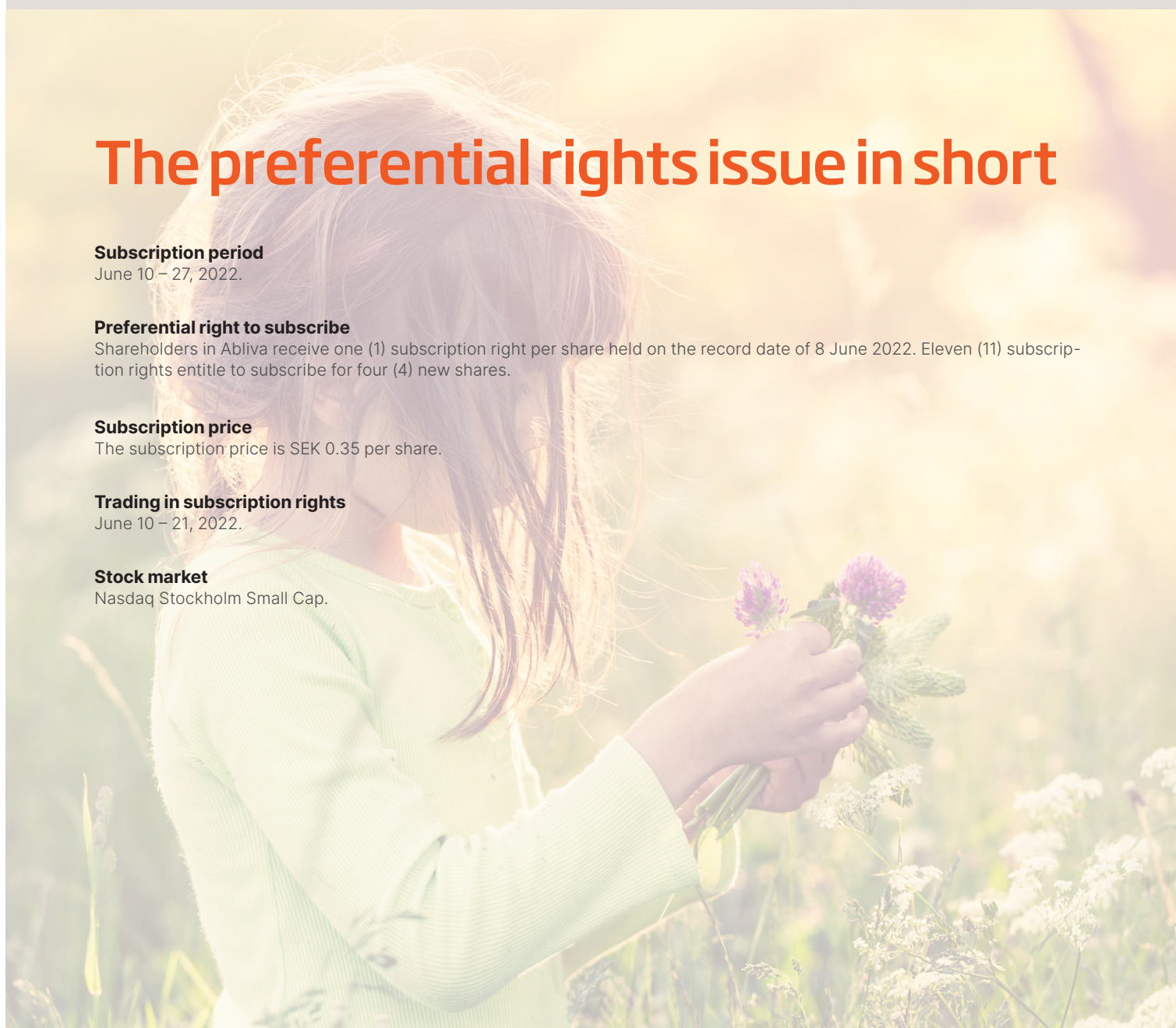
The subscription price is SEK 0.35 per share.

Trading in subscription rights

June 10 – 21, 2022.

Stock market

Nasdaq Stockholm Small Cap.





"What I like the most with Abliva is the people, and the opportunity to take part in a meaningful business with the aim of making life better for all the patients and their families suffering from primary mitochondrial diseases"

Interview

Abliva's Chief Financial Officer Catharina Johansson

Hello Catharina! You've been a part of the Abliva team since 2013 – what is your role in the company, and what do you like the most about working there?

"I'm the CFO of the company and responsible for our financial department, but I'm also responsible for Investor Relations and Communications. My role is very diversified, which is something I see as an advantage. One day at work varies a lot and includes a lot of different tasks from office management, consolidate the groups result, to having discussions with authorities and potential investors."

"What I like the most with Abliva is the people, and the opportunity to take part in a meaningful business with the aim of making life better for all the patients and their families suffering from primary mitochondrial diseases."

When your current CEO Ellen Donnelly came on board at the beginning of 2021, you stepped up as the company's Deputy CEO. Can you elaborate on that?

"The Deputy CEO is a role required when the CEO resides outside of the European Economic Area (EEA). As you know, Ellen is based in Boston in order to oversee our subsidiary and, as we grow, US consultants, partners, sites and new investors. I was honored to take on this responsibility and enjoy the work that it entails."

What advantages do you think there are being a smaller company in drug development today?

"I don't necessarily believe that a smaller company is an advantage in drug development, but I do believe that our strategy, developing orphan drugs, is well suited for a small company. We are all very engaged and committed to our task and everyone has the background and

expertise to work across a number of areas. Since we are a small organization, we are dependent on each other, and everyone is deeply involved in the business. The path from idea to implementation is short and effective, and the organization is very agile and flexible."

Are there any disadvantages?

"We are a small team with an ambitious plan, so an extra couple of hands would always come in handy. We often address our cost conscious nature as an advantage, but more resources would allow us to extend our research to identify new innovative compounds and back-up programs."

"Even though we are well-recognized within our research field, primary mitochondrial diseases, our size is often a disadvantage when talking to US investors who are looking for, and expecting, a 40-person company with a larger market cap and more liquidity than Abliva has. Our ability to do so much with so little, however, is greatly appreciated by our current and potential investors."

Abliva has just announced a SEK 200 million financing round and is about to start a global, registrational, clinical Phase 2/3 study with its lead candidate KL1333. What are your major challenges, as the company's CFO, and as a member of the management team, at this stage of development?

"As for many research companies, my primary goal is to ensure that the company is financially secure and that we use our resources in an optimal way and that we keep our budget. Investor relations is also a critical area of focus as I work to ensure current shareholders are kept updated on company activities and milestones and that potential new investors are attracted to this exciting company."

Fireside chat in Lund and Stockholm

This week, ABLIVA arranged two informal meetings, "fireside chats", with the company's CEO Ellen Donnelly, CFO Catharina Johansson, and CMO Magnus Hansson. The meetings presented good opportunities for shareholders and interested investors to learn more about the exciting stage we are currently in, and also about the financing round, including the ongoing preferential rights issue.





Spreading the word

Communicating our mission, our strategy and our data to the external community (patients, physicians, researchers, investors) is critical as we work to build the premier company in mitochondrial medicine. Primary mitochondrial disease is an area unknown to many, so we aim to educate and inform as we work to develop therapeutics to treat these patients. Our recent events and interviews have included:

Interview with CEO Ellen Donnelly by BioStock

1 June 2022.

<https://youtu.be/cPXSQWVXuVE>

#InvestTalks interview with CEO Ellen Donnelly

13 June 2022.

<https://youtu.be/CT8cL1LVF1w>

<https://www.di.se/pressreaser/2022/06/08/invest-talks-content-relations-sverige-investtalks-abliva-avancerar-pa-flera-fronter-med-sina/>

UMDF's Mitochondrial Medicine Symposium 2022

8 – 11 June 2022. Phoenix, AZ, USA.

<https://www.umdf.org/symposium/>

Our Chief Medical Officer, Magnus Hansson, gave a presentation and participated in a panel discussion on clinical trials. The Symposium attracts both researchers, clinicians, patients, and families, as well as other companies in the field, and presents a good opportunity for new knowledge and for building our network of people from all these groups.

Upcoming events



**Bioblast 2022
Innsbruck, Austria**



**Nordic Life Science Days
Malmö, Sweden**

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