

Affitech publishes prospectus

Summary:

Today Affitech A/S publishes a prospectus in connection with a directed offering of 167,842,589 shares in Affitech A/S with a nominal value of DKK 0,50 per share. The offering consists of 133,476,364 shares issued against contribution in kind shares in Affitech Research AS (former Affitech AS) and 34,366,225 shares issued against cash payment of the market value of DKK 0.78 per share of DKK 0.50 directed at certain pre-committing investors.

Today Affitech A/S publishes a prospectus in connection with a directed offering of 167,842,589 shares with a nominal value of DKK 0.50 per share. The offering consists of 133,476,364 shares issued against contribution in kind shares in Affitech Research AS (former Affitech AS) and 34,366,225 shares issued against cash payment of the market value of DKK 0.78 per share of DKK 0.50 directed against certain investors who have precommitted to subscribe for the shares.

At the extraordinary general meeting held on May 5, 2009, the shareholders in the Company resolved to issue the Contribution Shares to shareholders of Affitech AS and to authorise the Company's Board of Directors to increase the share capital during the period until December 31, 2010 in one or more issues by a nominal value of up to DKK 150.000.000 (300.000.000 Shares of DKK 0.50 each).

The shares issued against contribution in kind have been subscribed by shareholders of Affitech AS and were registered with the Danish Commerce and Companies Agency on June 4, 2009. The Cash Offering will be carried out as a private placement at market price of DKK 0.78 per Share of DKK 0.50 without preemptive rights to the existing shareholders. The subscription period for the shares issued against cash payment will commence on June 30, 2009 at 9.00 a.m. CET and close on July 1, 2009 at 5.00 p.m. CET. Payment shall be made during the Subscription Period.

The Offering is not underwritten, but Ferd AS, Arendals Fossekompani ASA, Braganza AS, Teknoinvest VII KS, Verdane Capital IV TWIN AS, Anchor Secondary 3 Holding AS, Sarsia Life Science Fund AS, Glastad Invest AS, Lene AS, Hans Bjarne Dahl, John McDougall, Kerstin Maria Hareide, Marike Stassar and Amino AS have undertaken a binding pre-commitment to the Company to subscribe for Cash Shares for a total investment of DKK 26.8 million, corresponding to 100% of the cash offering.

The New Shares will not be admitted to trading and official listing on the NASDAQ OMX until after registration of the capital increase with the Danish Commerce and Companies Agency. The New Shares are expected to be admitted to trading and official listing on the NASDAQ OMX on July 6, 2009 under the ISIN of the Existing Shares.

Proceeds from the offering

Affitech A/S will receive gross proceeds from the offering of DKK 134.9 million and the net proceeds is expected to amount to DKK 128,9 million. The gross proceeds is split between DKK 108.1 million from the offering against contribution in kind and DKK 26.8 from the cash offering.

Pre-commitments

Offering against contribution in kind

The shares are offered against the contribution in kind shares in Affitech AS (now Affitech Research AS).

Offering against cash payment

Ferd AS, Arendals Fossekompagni ASA, Braganza AS, Teknoinvest VII KS, Verdane Capital IV TWIN AS, Anchor Secondary 3 Holding AS, Sarsia Life Science Fund AS, Glastad Invest AS, Lene AS, Hans Bjarne Dahl, John McDougall, Kerstin Maria Hareide, Marlie Stassar and Amino AS have all given pre-commitments to Affitech A/S to subscribe for 34,366,225 shares in connection to the offering, corresponding to DKK 26.8 million.

Subscription period

Offering against contribution in kind

The offering against contribution in kind was subscribed in accordance with the decision made at the extraordinary general meeting on May 5, 2009.

Offering against cash payment

The subscription period for the shares issued against cash payment will commence on June 30, 2009 at 9.00 a.m. CET and close on July 1, 2009 at 5.00 p.m. CET.

Trading and official listing of the new shares

The New Shares are expected to be admitted to trading and official listing on the NASDAQ OMX on July 6, 2009. Shareholders and investors should note that the New Shares will not be admitted to trading and official listing on the NASDAQ OMX until the capital increase has been registered with the Danish Commerce and Companies Agency, which is expected to take place on July 2, 2009.

Expected time table

- Subscription period for the shares against cash payment begins: On June 30, 2009 at 9:00 a.m. CET
- Subscription period for the shares against cash payment ends: On July 1, 2009 at 5:00 p.m. CET
- Publication of the results of the offering: Expected to be on July 2, 2009
- Completion of the offering: The Offering will be completed when the new shares have been issued and the capital increase has been registered with the Danish Commerce and Companies Agency
- Admission to trading and official listing of the new shares: Expected to commence on July 6, 2009.

Immediate objectives

Including the Net Proceeds from the Cash Offering, the Company's net cash was DKK 41.4 million as at March 31, 2009, which is expected to be sufficient to fund the Company until June 2010. During this period, our immediate objectives are:

- To raise additional equity capital in the second half of 2009 to fund product development.

- To negotiate and enter into one or more new partnership agreements with other pharmaceutical or biotech companies.
- To complete the integration of the two companies. In particular, the Company will focus on (i) the implementation of a common IT platform, (ii) an integrated accounting and financial management structure, (iii) an integrated project management structure and (iv) a common resource policy and management by objectives system.
- To focus on research and further preclinical development of our early stage antibody product candidates. Besides this, we plan to advance the application of CBAS™ in the cancer stem cell field and to the discovery to antibodies against additional GPCR targets. We will further advance the antibody candidates within our collaboration projects together with our partners. In addition, we plan to advance our lead product candidate towards clinical development.

Financial forecasts

Based on our ongoing activities, agreements already entered into, current leads for potential new agreements and grants already made, we expect that revenue, interest income and other operating income in the 2009 financial year will total approximately DKK 10 million. Research and development costs are expected to total approximately DKK 36 million, and administrative expenses are expected to be approximately DKK 14 million, DKK 2.3 million of which relates to external non-recurrent costs in connection with the Combination. The net loss, including financial income, is expected to be approximately DKK 40 million.

Reasons for the cash offering and use of proceeds

The main reason for the offering is the combination of Affitech AS and Pharmexa A/S.

The cash offering consists of 34,366,225 cash shares issued against cash payment at market price, corresponding to DKK 0.78, corresponding to gross proceeds of DKK 26.8 million and net proceeds of DKK 21.8 million. The pre-committing investors have undertaken a binding pre-commitment to subscribe all the cash shares.

The company's capital resources amounted to DKK 19.6 million as of March 31, 2009. Combined with expected revenues from our current and anticipated collaborative agreements and the proceeds from the cash offering, we anticipate that we will have funding for our planned activities until June 2010.

The cash flow projections are, among other things, subject to certain other assumptions including, but not limited to, the company being able to adequately reduce its staff costs in 2010 if no additional equity capital is raised in the second half of 2009.

The proceeds from the cash offering together with our existing capital will be used on research and further preclinical development of our early stage antibody product candidates. Besides this, we plan to advance the application of CBAS™ in the cancer stem cell field and to the discovery to antibodies against additional GPCR targets. We will further advance the antibody candidates within the collaboration projects together with our partners. In addition, we plan to advance our lead product candidate towards clinical development.

Warrants

Pursuant to a resolution approved at the extraordinary general meeting held on May 5, 2009, the Board of Directors has been granted an authority to issue warrants to Dr. Keith McCullagh who was granted warrants to subscribe for Shares with a nominal value of up to DKK 2,709,751 (5,419,502 Shares of DKK 0.50 each) Shares in the Company at a price

corresponding to the price at which the first capital increase for cash payment is completed by the Company following the adoption of this authority. The Board of Directors exercised the authorisation on June 30, 2009, subject to the completion of the Cash Offering, and will implement the necessary changes in the articles of association following completion of the cash offering. The warrants issued will be exercisable at the offer price.

How to order the prospectus

The prospectus can, with certain exceptions, be downloaded from the company's website: www.affitech.com.

Requests for copies of the prospectus may be addressed to the company. However, the prospectus will only be printed in a limited number and we therefore encourage persons interested in the prospectus to download it from the company's website.

Hørsholm, June 30, 2009

Achim Kaufhold
Chief Executive Officer

Additional information:

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