



Oncology Venture

Oncology Venture A/S  
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## Company Announcement

# Oncology Venture A/S enters into a financing agreement based on the issuance of convertible notes and warrants

Hoersholm, Denmark, November 30, 2018 – Oncology Venture A/S (Nasdaq First North Stockholm: OV.ST) announces today that the Company has secured a financing solution with European High Growth Opportunities Securitization Fund (the “Investor”), a Luxembourg fund advised by Alpha Blue Ocean Inc, based on the issuance of convertible notes and warrants, to receive up to SEK 200 million over the next 24 months and potentially an additional SEK 100 million if all warrants are exercised. The Company has signed an agreement with the Investor for a series of up to 20 directed issues of convertible notes, whereof 5 can be upon Investor call. The agreement is subject to customary conditions precedent and the implementation of the financing is subject to the approval of Oncology Venture’s shareholders at an Extraordinary General Meeting to be held shortly.

The financing agreement has been established in order to secure Oncology Venture's development and commercialization of its highly promising pipeline of cancer drugs. If Oncology Venture was to fully deploy the financing agreement with the Investor, Oncology Venture may have sufficient financing to fund the development of its most advanced drug, LiPlaCis®, all the way to a potential marketing approval.

*“The proposed agreement with the Investor is an attractive and cost-efficient way to finance the continued development of our anti-cancer precision medicines. It would enable several of Oncology Venture’s drug candidates to reach important value inflection points on the way towards marketing approvals. Further, this financial buffer would also strengthen our position in licensing and partnership negotiations,”* said **Peter Buhl Jensen, CEO of Oncology Venture A/S.**

*“ABO is proud to collaborate with Oncology Venture by providing the necessary financing for the firm to reach its disruptive potential within the global biotechnology industry. Given the firm’s unique Drug Response Prediction technology and strong scientific expertise, we believe the funds will be leveraged effectively by the management team to deliver great value to its shareholders by continuing to develop its effective drug pipeline”* said **Pierre Vannineuse, CEO and founder of London based Alpha Blue Ocean Investment Group and Head of European High Growth Opportunities Securitization Fund.**

### Main terms and conditions

The financing solution is based on the issuance of convertible notes and warrants which will entitle the Investor to subscribe to Oncology Venture shares, upon conversion of the convertible notes and exercise of the warrants.

The financing shall take place over a period of 24 months. During this period, Oncology Venture shall be able to receive up to SEK 200 million through the issuance of 20 tranches of convertible notes of SEK 10,000,000 each (it being specified that in certain circumstances, the size of the tranches can be decreased to SEK 7’500’000, at the request of the Investor). In connection with each tranche, warrants will be issued, entitling the Investor to subscribe to Oncology Venture shares upon their exercise. Should all the warrants to be issued be exercised, an additional SEK 100 million will be received by Oncology Venture.

The estimated net costs for Oncology Venture are 4.5% of the total commitment of SEK 200 million, excluding legal and administrative costs.

### **Shareholders' authorization**

Issuance of convertible notes and warrants as set out in the financing agreement will require an authorization from the shareholders of Oncology Venture resolved at an extraordinary general meeting to be convened expectedly in the course of December 2018.

It is specified that the costs of the financing program are in line with Danish and Swedish market practice and that the maximum number of shares to be converted under the five first tranches will comply with the authorization of the EGM.

### **Convertible notes**

The disbursement of the convertible notes tranches will be automatic, following a period of 25 trading days. Oncology Venture will have the right, at its discretion, to suspend and reactivate the automatic disbursement of the tranches. The Investor will be entitled to request the issuance of a new tranche ahead of the planned timetable, up to a maximum of 5 tranches.

The Investor will have the right to convert its convertible notes at the latest on the expiry date of a 12-month period following the registration of the notes with the Danish Business Authority. In case of an event of default, the Investor will have the right to request the reimbursement of the convertible notes in cash and/or or refuse to subscribe for additional tranches.

The convertible notes will be issued at a subscription price corresponding to their par value (i.e. SEK 100,000) and will bear a fixed 2% interest.

The conversion price will be determined as 95% of the lowest daily volume weighted average (VWAP) share price of the 15 consecutive trading days prior the receipt of a conversion request by Oncology Venture.

### **Warrants**

Warrants, which may be exercised for a 36-month period from their registration with the Danish Business Authority, will be issued to the Investor in connection with each tranche. The number of warrants issued to the Investor in connection with each tranche shall be equal to 50% of the nominal amount of the convertible notes divided by the applicable exercise price.

The exercise price of the warrants will be calculated, for each tranche, as 150% of the lowest daily VWAP over a 15 trading days period immediately preceding the disbursement of a tranche. However, it is specified that regarding the first tranche, the exercise price of the warrants shall be equal to 135% of the lower between SEK 9.6493 and the lowest daily VWAP over the 15 trading days prior to the issuance of the first tranche.

### **Communication**

The number of convertible notes, warrants and shares issued pursuant the financing agreement will be communicated by Oncology Venture on its website under the Investors section. Should significant conversion of convertible notes occur, thus with a potential impact on the stock price, Oncology Venture will issue separate press release informing the market about the conversion. On the last trading day of each month during which the registered share capital increases, Oncology Venture will issue a separate press release announcing the new registered share capital and the new registered number of shares.

### **Events of default**

The financing agreement includes standard provisions for events of default, in line with other similar transactions, that allows the Investor to request immediately cash payment of outstanding convertible notes and to refuse to subscribe for additional tranches.

**Collaterals**

No collateral is attached to the convertible notes.

**Sale, listing of the convertible notes, prospectus**

The convertible notes will be freely transferable to companies controlled by the Investor and will not be listed on any stock exchange. The conversion of the convertible notes is at the Investor's discretion, without a predetermined schedule. The financing agreement does not require the establishment of a prospectus.

**Governance**

The Investor's policy is not to take part in the governance of its portfolio companies. Therefore, the Investor will not require any seat at Oncology Venture 's board of directors.

**Share lending**

Oncology Venture shareholder Sass&Larsen, has made 1,000,000 shares available free of charge under a share lending agreement entered into with the Investor, to facilitate the financing agreement and reduce costs for Oncology Venture. The Investor will return the shares to Sass&Larsen at the latest, on the expiry date of the financing agreement.

**For further information, please contact:**

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**About European High Growth Opportunities Securitization Fund (EHGO)**

European High Growth Opportunities Securitization Fund is an institutional investment company based in Luxembourg which focuses on financing innovative companies in Europe that are deemed to be significantly undervalued. Alpha Blue Ocean is the exclusive advisor to EHGO. Their mandate is to invest in innovative European companies, thereby supporting their needs for growth capital by providing a credible European funding option.

**About Alpha Blue Ocean Investment Group**

Alpha Blue Ocean, founded by Pierre Vannineuse, is responsible for a family of investments and operates across multiple jurisdictions and focuses on financing innovative technologies while retaining a passive role in the management of its portfolio companies. Alpha Blue Ocean specialises in providing flexible and innovative non-Invasive Loans and Equity-financing to listed companies globally and in health, energy, mining and technology. Alpha Blue Ocean's head office is based in London, United Kingdom.

### **About Oncology Venture A/S**

Oncology Venture A/S is engaged in the research and development of anti-cancer drugs via its wholly-owned subsidiary, Oncology Venture Product Development ApS. Oncology Venture uses Drug Response Prediction – DRP® –to significantly increase the probability of success in clinical trials. DRP® has proven its ability to provide a statistically significant prediction of the clinical outcome from drug treatment in cancer patients in 29 out of 37 clinical studies that were examined and is currently demonstrating promising results in an ongoing phase 2 study prospectively using LiPlaCis and its DRP® to track, match and treat patients with metastatic breast cancer. The DRP® alters the odds in comparison with traditional pharmaceutical development. Instead of treating all patients with a particular type of cancer, patients' tumors genes are first screened, and only the patients most likely to respond to the treatment will be treated. Via a more well-defined patient group, risks and costs are reduced while the development process becomes more efficient.

The current OV product portfolio includes: LiPlaCis®, a liposomal formulation of cisplatin in an ongoing Phase 2 trial for breast and prostate cancer; 2X-121 a PARP inhibitor in an ongoing Phase 2 for breast cancer; dovitinib a post phase 3 product, which will enter Phase 2 trials for indications dependent on further Dovitinib-DRP analysis of studies completed by Novartis. 2X-111, a liposomal formulation of doxorubicin under manufacturing for Phase 2 in breast cancer; irifolven is in Phase 2 in prostate cancer; and APO010, an immuno-oncology product in Phase 1/2 for multiple myeloma.

Oncology Venture has spun out two companies as Special Purpose Vehicles: Oncology Venture U.S. Inc. (previously 2X Oncology Inc.), a US-based precision medicine company focusing on developing 2X-121 and 2X-111, and OV-SPV 2, a Danish company that will test and develop dovitinib. Oncology Venture A/S has an ownership of 92% in Oncology Venture US and 55% of dovitinib with an opportunity to acquire further 30%.

Learn more at [oncologyventure.com](http://oncologyventure.com)

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### **Forward-looking statements**

This announcement includes forward-looking statements that involve risks, uncertainties and other factors, many of which are outside of OV's control and which could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning OV's plans, objectives, goals, future events, performance and/or other information that is not historical information. All such forward-looking statements are expressly qualified by these cautionary statements and any other cautionary statements which may accompany the forward-looking statements. OV undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.

**Certified Adviser:** Sedermera Fondkommission, Norra Vallgatan 64, 211 22, Malmö, Sweden.

This information is information that Oncology Venture A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication on November 30, 2018.