



Invitation to subscribe for convertibles in RhoVac AB

Teckningstid:
17–31 mars 2022



**FUTURE
ANTI-CANCER
DRUGS**

IMPORTANT INFORMATION

The following summary is not a complete offer but should be seen as an introduction to RhoVac AB ("RhoVac" or "the Company") and the memorandum that describes the offer in its entirety. Thus, this document does not necessarily contain all the information that may be needed for an investment decision. All investors are asked to read the memorandum available on RhoVac's website (www.rhovac.se) to find out about the potential risks associated with the decision to invest in the securities, before making a decision to invest. RhoVac AB, org.nr. 559037-2271.



Introduction to RhoVac

RhoVac develops the drug candidate onilcamotide (formerly RV001) to specifically prevent or delay the development of advanced prostate cancer in prostate cancer patients who have already undergone local treatment with curative intent. RhoVac is currently conducting a Phase IIb study on onilcamotide. Results from the study are expected in May/June 2022. In the event of a positive result, the Company intends to reach an acquisition or license agreement with a major party who can take onilcamotide through Phase III studies and then launch a pharmaceutical product. Thus, RhoVac intends to realize the value created by the development in the Company and return it to the shareholders.



The market

The global market for immunotherapies is expected to grow from 17 billion USD in 2015 to a value of 76 billion USD in 2022, with an annual average growth rate of 24 percent during the period 2016 to 2022.¹ Growth is mainly driven by an increasing market acceptance for advanced cancer treatments in combination with increasing cancer incidence.

Prostate cancer is one of the most common cancers in the world, and it accounts for about 30 percent of all cancer cases in men in Sweden. Spending on oncology medicines, for the treatment of prostate cancer, in Germany, France, Italy, Spain, Great Britain, Japan and the United States, increased from 6.5 billion USD 2017 to 8.9 billion USD 2020, with an annual average growth rate of 11 percent.²

The Board of Directors of the Company does not know of any other immunotherapy aimed at the indication of prevention of metastatic prostate cancer after curative attempt therapy, neither on the market nor in development. Considering the unique characteristics of the Company's drug candidate, onilcamotide, and the current market outlook, the Company assess that there are good opportunities for future growth and potential to create more effective treatment of patients with prostate cancer.

Background

RhoVac was founded as a private company in Denmark in 2007. The first steps in the development of the drug candidate onilcamotide were taken in this company. In 2015, the Swedish RhoVac AB was formed in Lund, which is now the headquarter, and in 2016 the Company was listed on Spotlight Stock Market. Since its formation, RhoVac's patents have been approved in among others the EU and the US and the drug candidate onilcamotide also has passed the early stages of development. In 2018, the first clinical study (Phase I / II) was completed in prostate cancer, and it showed that onilcamotide has good safety and is well tolerated, and that the drug provides the expected immune response which should exert the effect on the cancer cells. The strong immune response has also shown to remain stable over time in later follow-ups and no patients had undergone metastatic progression, i.e. further developed disease, at the three-year follow-up. During the first half of 2022, RhoVac is expected to complete a Phase IIb clinical trial (BRaVac).

Next step

The ongoing BRaVac study covers more than 180 prostate cancer patients and is carried out in Denmark, Finland, Sweden, Belgium, Germany, Great Britain and the United States. In November 2020, onilcamotide was awarded a fast-track designation by the FDA (US equivalent of the Medical Products Agency) and primary results from the study are expected in May/June 2022. In the event of a positive outcome in the Phase IIb study, where onilcamotide shows a significant effect on disease progression, RhoVac does not intend to continue with the development on its own. RhoVac assesses that a large company is required to handle the development in late stages and implement a global launch. Instead, RhoVac plans to negotiate an acquisition or license agreement with a major player. This means that RhoVac, in the event of a positive study result, intends to realize the value that the Company development has achieved so far to return the value to the Company's shareholders. RhoVac will, in the case of a positive result, enter negotiations with companies that have the best possible capacity for further development and for a successful launch of the drug. Also, the ability to develop onilcamotide for other indications will be assessed in the choice of company.

To have the best possible conditions when RhoVac enters negotiations, the Company is now carrying out a raise of capital in the form of a rights issue of convertibles. By securing the financing for a possible negotiation period, RhoVac can be a persistent and strong party in negotiations and work for the Company to reach an agreement that is as favourable as possible for the shareholders.

Rights issue

The Board of Directors of RhoVac decided on March 4, 2022, with the support of authorization from the Annual General Meeting on May 19, 2021, to issue 624,494 convertibles at a price SEK 40.00 per convertible. The convertibles are subscribed in units at a price of SEK 80.00 per unit. Each (1) unit contains two (2) convertibles. The rights issue of units is guaranteed (free-of-charge) in its entirety and will thus provide the Company with approximately SEK 25 million before issue costs, which amount to approximately SEK 1 million.

1. GBI Research, Global Cancer Immunotherapies, Global Cancer Immunotherapies Market to 2022 – Immune Checkpoint Inhibitors and Therapeutic Cancer Vaccines to Characterize Increasingly Competitive Market, 2016

2. IQVIA Institute for Human Data Science, Global Oncology Trends 2021

Use of issue proceeds

With the capital the Company receives through the issue, after issue costs, a total of approximately SEK 24 million net, the Company's intends to finance the following activities (arranged by priority):

- Carry out a complete "Extended Follow-up" linked to the Phase IIb study BRaVac.
- Prepare data for discussions with the FDA and EMEA to complete the Phase IIb study and prepare the Phase III study.
- Conduct negotiations with potential partners regarding acquisition or license.

The offer in brief

Preferential right for subscription: Those who on the record date on March 11, 2022, are shareholders in RhoVac will receive a unit right for each share. Sixty-one (61) unit rights entitle to subscription of one (1) unit. One (1) unit consists of two (2) convertibles. In addition, the public is offered the opportunity to subscribe in the rights issue.

Subscription and payment: Subscription with the support of unit rights takes place by cash payment during the subscription period. Please note that unit rights that the shareholder does not intend to exercise must be sold no later than March 28, 2022, in order not to expire. Notification of subscribing to units without preferential rights is made through a trustee or via the application form "Subscription without support of unit rights" which can be downloaded from Sedermera Corporate Finance AB's website (www.sedermera.se), Nordic Issuing AB's website (www.nordic-issuing.se) and on the Company's website (www.rhovac.se). Subscription can also be done electronically with BankID at www.nordic-issuing.se.

Subscription price: The subscription price is SEK 80.00 per unit, which corresponds to SEK 40.00 per convertible. Brokerage fee is not provided.

Objectives 2022-2023

Operational and organizational objectives:

- Complete the Phase IIb study.

In case of a positive outcome of the Phase IIb study:

- Carry out a complete "Extended Follow-up" linked to the Phase IIb study BRaVac.
- Prepare data for discussions with the FDA and EMEA to complete the Phase IIb study and prepare the Phase III study.
- Enter into an agreement with a partner regarding acquisition or license.

In case of negative outcome of the Phase IIb study:

- Repay convertible loans. The loan is intended to be repaid in its entirety within one year from the settlement date.
- Evaluate the future of the business.

Convertibles

Number of convertibles: 624,494 convertibles, which entitles to subscription of 624,494 new shares.

Conversion price: SEK 40.00 per new share.

Convertible amount: SEK 24,979,760.00.

Conversion period: The convertible holder can during the period from 15 June 2022 until on July 15, 2022, convert the loan into shares.

Maturity: In the event that the entire loan has not been converted, repayment of the loan and interest will take place no later than 11 April 2023.

Interest: The convertible loan carries an annual interest rate of ten (10) percent.

Dilution: : The convertibles mean, provided full conversion to shares, that the number of shares in RhoVac increases by 624,494 shares and that the share capital increases by SEK 112,409,92, which gives a dilution of about 3.2 percent.

Trading on Spotlight Stock Market: The convertibles are planned to be admitted to trading on the Spotlight Stock Market as soon as the rights issue of units has been registered on the Swedish Companies Registration Office, which is expected to take place at the end of April 2022.

Important dates

Record date for receiving unit rights:
11 March 2022.

Subscription period: 17- 31 March, 2022.

Trading in unit rights: 17-28 March 2022.

Trading in paid subscription unit (BTU): Trade in BTU runs from March 17, 2022, until the day when the issue has been registered with the Swedish Companies Registration Office. Registration is expected to take place at the end of April 2022.

Publication of outcome: Around 5 April 2022.

Additional information

Issue volume: Approximately SEK 25 million before issue costs.

Guarantee commitment: RhoVac has received a guarantee commitment from M2 Asset Management AB of approximately SEK 25 million, which guarantees the issue of convertibles in full. For the guarantee commitment, no compensation is provided.

Marketplace: Spotlight Stock Market.

CEO Anders Månsson comments

RhoVac has entered an incredibly exciting stage in the Company's history where we are now approaching the finish line for our Phase IIb study, with expected results in May/June this year. A positive result would further prove the potential of our drug candidate, onilcamotide, and its ability to prevent further progress in the disease. Thanks to onilcamotide's innovative properties the drug candidate has, assuming positive results in the Phase IIb study, a great potential to become a unique drug for the prevention of metastatic cancer. To create the best conditions for onilcamotide's continued development and realize the greatest possible value for our shareholders, I invite you as an investor to participate in this capital raise. We have chosen to offer our investors convertibles, which have no greater risk than a corporate bond, however which still offers a potentially large upside to positive study results, because we are now so close to a result in the Phase IIb study.

Cancer is the most common cause of death worldwide, and the number of cancer cases is expected to increase in the future. With rising patient numbers, as well as increasing market acceptance for advanced cancer treatments, the global market for immunotherapies is expected to grow from about 17 billion USD in 2015, to about 76 billion USD in 2022. This gives an annual average growth rate of 24 percent, based on the period 2016 to 2022. Among the most common cancers we find prostate cancer, which accounts for about 30 percent of all cancer cases in men in Sweden. Sales of medicines, for the treatment of this type of cancer, in Germany, France, Italy, Spain, Great Britain, Japan and the United States increased from 6.5 billion USD in 2017 to 8.9 billion USD 2020, with an annual average growth rate of 11 percent. With a rising number of global cancer cases, along with increased demand for advanced cancer treatments, we see good opportunities to create an attractive drug that can be requested by both patients and by acquisition or licensing partners.

The demand for immunotherapies is great and today, our drug candidate is the only immunotherapy on the market or under development, which can prevent prostate cancer from forming metastases. With a patent approved on several strategically important markets, such as Japan, the USA and the EU, we see good opportunities to create a strong market position in the future for RhoVac and onilcamotide.

Previously conducted clinical Phase I/II study shows good results with great reliability and potential. In May/June this year we are also expected to be able to present the results from our Phase IIb study. In the event of positive results, our goal is to sign a partnership with a major player who can continue development and finally launch onilcamotide. With its unique properties, we consider onilcamotide to be an attractive drug candidate, something which provides good opportunities to find stakeholders for a potential acquisition or license agreement.

The process of finding the optimal partner for RhoVac can involve time-consuming negotiations. To be able to complete the process, we have decided to strengthen our finances during Q1/Q2 2022. Strong finances will provide good conditions to deliver maximum value to our shareholders and find the best partner to take onilcamotide further towards a market launch. Therefore, we are now implementing a rights issue of convertibles to finance RhoVac's continued journey. The convertibles are intended to be converted to shares, after the study result has been announced. This to give an advantageous and transparent investment opportunity for our investors.

Welcome to invest in RhoVac and tomorrow's cancer drugs. Together we can create a better future for cancer patients worldwide.



Anders Månsson
CEO, RhoVac AB

”With RhoVac’s innovative drug candidate, we can create a better future for the world’s cancer patients, while we deliver maximum value to our shareholders.”

Anders Månsson - CEO

Terms & Conditions

The offer

At a Board meeting on March 4, 2022, the Board decided, with the support of an authorization from the Annual General Meeting on May 19, 2021, to conduct a rights issue of units. One (1) unit consists of two (2) convertibles. The public is also given the opportunity to subscribe for units in the rights issue. The total issue amount amounts to a maximum of SEK 24,979,760.

The rights issue comprises a total of a maximum of 624,494 convertibles. Each existing share entitles to one (1) unit right and sixty (61) unit rights gives the holder the right to subscribe for one (1) unit. One (1) unit consists of two (2) convertibles.

Dilution

Through the conversion of all convertibles into shares, the Company's share capital will increase by SEK 112,408.90, corresponding to a dilution of approximately 3.17 percent of the votes and capital in the Company. The dilution is based on the fact that all convertibles are converted and have been calculated according to the following: maximum number of new shares / maximum total number of shares after full conversion of the convertibles (624,494/19,671,596).

Preferential right for subscription

The person who on the record date, March 11, 2022, was a shareholder in the Company has a preferential right to subscribe for units in the rights issue in relation to previous holdings each existing share entitles to one (1) unit right and sixty (61) unit rights entitle the holder to subscribe for two (2) convertibles.

Subscription price

The subscription price is SEK 80.00 per unit, which corresponds to SEK 40.00 per convertible. Brokerage fee is not provided.

Record date

Record date at Euroclear Sweden AB ("Euroclear") for the right to participation in the rights issue was March 11, 2022. Last day for trading in the Company's share with the right to participate in the rights issue was March 9, 2022. First day of trading in the Company's share without right to participation in the rights issue was on March 10, 2022.

Subscription period

Subscription of units will take place during the period from 17 March 2022 until and including March 31, 2022. After the end of the subscription period will be unused unit rights invalidate and then lose their value. Unused unit rights will be taken away from each shareholder's VP account without special notification from Euroclear. The Board of Directors of the Company reserves the right to extend the subscription period. A possible extension will be announced by the Company via a press release no later than March 31, 2022.

Trading in unit rights

Trading in unit rights takes place on Spotlight Stock Market during the period March 17, 2022 through March 28, 2022. Shareholders must turn directly to their bank or other trustee with the required permission to carry out the purchase and sale of unit rights. Unit rights acquired during the above-mentioned trading period gives, during the subscription period, the same right to subscribe for units as the unit rights that shareholders receive based on their holdings in the Company on the record date. Obtained unit rights must either used for subscription no later than March 31, 2022 or sold no later than March 28, 2022 so as not to expire useless.

Issue report and subscription forms

Directly registered shareholders in Euroclear

The shareholders or representatives of shareholders who on the record date on March 11, 2022, were registered with Euroclear, receive pre-printed issue report with attached payment advice, teaser and cover page. Information will be available at Sedermera Corporate Finance AB's website (www.sedermera.se), Nordic Issuing AB: s website (www.nordic-issuing.se), on the Company's website (www.rhovac.se) for download. Anyone who is included in it in connection with the share register specially kept list of trustees and others, does not receive any information without being notified separately. VP-note which reports the registration of unit rights in shareholders' VP account will not be sent out.

Nominee registered shareholders

Shareholders whose holdings of shares in the Company are nominee-registered at a bank or other nominee do not receive an issue report, however, a teaser containing a summary of conditions for

the rights issue and reference to the full memorandum will be sent out. Subscription and payment shall instead be made in accordance with instructions from respective bank or trustee. Note that in the case of use of unit rights are made via a bank or trustee, this should be done early in the subscription period due to the fact that each bank/manager can set different deadlines for last day for subscription.

Subscription with the support of preferential rights

Subscription with the support of preferential rights shall take place through simultaneous cash payment no later than March 31, 2022. Subscription by payment shall be done either with the pre-printed payment advice attached the issue report, or through payment instructions on the application form for subscription with the support of unit rights according to the following two alternative:

• Issue report – pre-printed payment advice

In the event that all unit rights received on the record date are utilized for subscription, only the pre-printed payment note shall be used as basis for subscription by cash payment. Registration form for subscription with the support of unit rights shall then not be used.

• Subscription form with the support of unit rights

In case a different number of unit rights than what appears from it the pre-printed issue report is used for subscription, e.g. through that unit rights are acquired or sold, the subscription form for subscription with the support of unit rights is used as a basis for subscription by cash payment. The shareholder must on the subscription form state the number of unit rights used, the number of units the subscriber subscribes for and amount to pay. Incomplete or incorrect completed subscription form may be disregarded. Subscription form for subscription with the support of unit rights can be obtained from Nordic Issuing's website www.nordic-issuing.se. Completed subscription form must in connection with payment be emailed as below and be Nordic Issuing no later than March 31, 2022. Registration is binding. Nordic Issuing reserves the right to disregard subscription forms received by post, as it cannot be guaranteed that they will be received before last day of the subscription period if they are posted.

Subject: Rhovac AB

E-mail: info@nordic-issuing.se (scanned subscription form)

Subscription without preferential rights

Notification of subscribing to units without preferential rights must be made the subscription form "Subscription without the support of unit rights" which is available to download from Nordic Issuing's website (www.nordic-issuing.se) and at the Company's website (www.rhovac.se). Subscription can also be done electronically with BankID at www.nordic-issuing.se.

For nominee-registered shareholders, notification of subscription of units without preferential rights are made to the respective trustee and in accordance with instructions from him, or if the holding is registered with several trustees, from each of these. Subscription can also be done through the subscription form "Subscription without the support of unit rights". To be able to invoke subsidiary preferential rights, it is required that the subscription is made via the trustee as otherwise there is no possibility to identify any particular subscribers who have subscribed for shares both with and without the support of subscription rights.

Note that the one who has a depot with specific rules for securities transactions, such as investment savings account (ISK) or endowment insurance account (KF), must check with the bank or manager holding the account, on the acquisition of securities within the framework of the offer is possible. In that case, the notification must be made in agreement with it bank/manager who maintains the account.

Incomplete or incorrectly completed subscription form may be submitted without regard. It is only permitted to submit one (1) subscription form "Subscription without the support of unit rights", in the event that more than one such subscription form submitted, only the last received will be considered, and the rest of such subscription forms will thus be disregarded. The subscription form must be received by Nordic Issuing no later than 31 March 2022. Registration is binding. Nordic Issuing reserves the right to ignore registration forms received by post, as it cannot be guaranteed to be received before the last day of the subscription period if they are posted.

Subscription over 15,000 EUR

In the event that the subscription amounts to or exceeds EUR 15,000, the money laundering form must be filled out and submitted to Nordic Issuing according to law (2017: 630) on measures against money laundering and terrorist financing. Please note that Nordic Issuing cannot book securities, even though payment has been received, until the money laundering control is available to Nordic Issuing.

Allocation for subscription without preferential rights

In the event that not all units are subscribed for with preferential rights as above the Board of Directors, within the framework of the maximum amount of the rights issue, decide on the allocation of units to another who has subscribed units without the support of preferential rights and decide how the distribution between subscribers is to take place.

- **As a first instance**, the allocation of units subscribed without the support of unit rights are made to such subscribers who have also subscribed units with the support of unit rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event that allocation to these cannot be made in full, allocation shall be made pro rata in relation to the number of unit rights that used for drawing units and, in so far as this is not possible, by drawing lots.
- **As a second instance**, the allocation of units that have been subscribed without the support of unit rights are made to others who have subscribed without the support of unit rights, and for that event that allocation to these cannot be made in full, allocation shall be made pro in proportion to the number of convertibles each subscribed and, to the extent that this cannot be done, by drawing lots.
- **As a third instance**, the allocation of convertibles signed without the support of unit rights are made to the issue guarantors in relation to the size of the guarantee commitment, and to the extent that this cannot be done, by lottery.

Notice of allotment of units subscribed without preferential rights

Notice of possible allotment of units, subscribed without preferential rights, will be submitted by sending an allotment notice in the form of a settlement note via e-mail. Settlement notes are expected to be sent out as soon as possible after the end of the subscription period and payment according to instructions on the settlement note no later than four banking days thereafter. Note that there is no possibility to withdraw the amount from the specified VP account or depository. If payment is not made on time, units may be transferred to another. Would the selling price at such transfer be less than the price according to the offer, the person who originally received the allotment of the units may be responsible for all or part of the difference. A notice is not given to the person who has not received the allotment.

Shareholders residing abroad

Shareholders resident outside Sweden (does not refer to shareholders resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, South Korea or other countries where participation requires additional prospectus, registration or other measures than those resulting from Swedish law) and who have the right to subscribe for units in the rights issue, can contact Nordic Issuing for information on subscription and payment.

Due to securities law restrictions in the US, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, South Korea or other countries where participation requires further prospectus, registration or other measures than those that follow from Swedish right, no unit rights will be offered to holders with registered addresses in any of these countries. Accordingly, nothing is directed offer to subscribe for convertibles in the Company to shareholders in these countries.

Paid subscribed unit (BTU)

Subscription by payment is registered with Euroclear as soon as this can take place, which normally means a few banking days after payment. Thereafter, the directly registered subscriber receives a VP notice with confirmation that booking of paid subscription units (BTU) has taken place at the subscriber's VP account. Subscribed units are booked as BTU in the VP account until the rights issue has been registered with the Swedish Companies Registration Office. Shareholders who have their holdings in a depository with a bank or nominee receive information from each manager.

Trading with BTU

Trading with BTU takes place on the Spotlight Stock Market from on March 17, 2022, until the rights issue is registered at the Swedish Companies Registration Office. Subscribed units are booked as BTU on the subscriber's

VP account or depository until the rights issue has been registered with the Swedish Companies Registration Office, which is expected to take place at the end of April 2022.

Delivery of convertibles

As soon as the rights issue has been registered with the Swedish Companies Registration Office, which is expected to take place at the end of April 2022, BTU will be reboked to convertibles without special notification from Euroclear.

Publication of the outcome of the rights issue

The publication of the outcome of the rights issue is made through a press release scheduled for April 20, 2022, or as soon as possible after the subscription period has ended. The Company will publish the outcome of the rights issue through a press release.

Trading in convertibles and shares

The convertibles in the Company are to be listed on the Spotlight Stock Market. The convertibles will be traded under the short name "RHOVAC KV 1" and has ISIN code SE0017615602. The convertibles are admitted to trading in connection with the conversion of BTU into convertibles. The Company's share is listed on the Spotlight Stock Market and trades under the short name RHOVAC and ISIN code SE0007784319. The newly issued shares, which will be added due to the conversion of convertibles, will be traded on the Spotlight Stock Market using the same ISIN code.

Applicable law

The shares are issued under the Swedish Companies Act (2005: 551) and are regulated by Swedish right.

Right to dividend

Possession of convertibles does not entitle to dividends. The new shares as acquired through conversion entails the right to a dividend for the first time on the first record date for dividends that fall after the new shares have been registered with the Swedish Companies Registration Office. The new shares have the same right to dividend as the existing shares.

Terms for convertibles

Each convertible entitles the holder to subscribe for one (1) new share in the Company. The subscription price for the shares is SEK 40. Subscription of shares in the Company with the support of convertibles takes place during the period from June 15, 2022, through July 15, 2022. The convertibles will be traded from then on conversion of BTU has taken place in Euroclear's system until 13 July 2022 and will be traded in Swedish kronor. The convertibles have ISIN code SE0017615602. In the event that the entire loan is not converted, repayment will be made of the loan including interest take place no later than April 11, 2023, the convertibles run with an annual interest rate of ten (10) percent.

Guarantee commitment

During January 2022, the Company entered into a guarantee commitment agreement with M2 Asset Management AB, corresponding to 100 percent of the issue volume. No guarantee compensation is paid for this commitment. Through the guarantee commitment the guarantor undertakes to the Company, to the extent the rights issue is not used to 100 percent, to subscribe for units at an amount corresponding to the amount of the unused unit rights. The guarantee undertaking has not been secured through a prior transaction, bank guarantee or the like, why there is a risk of the commitment, completely or in part, will not be redeemed.

Other

The Board is mandated to decide on minor corrections such as required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB. Minor corrections refer to corrections of smaller sort, such as misspellings or other typos, which can hinder the decision registered with the Swedish Companies Registration Office or Euroclear Sweden AB.

The Board does not have the right to withdraw the offer.

In case an excessive amount is paid in by a subscriber for units, the excess amount will be refunded. An amount less than SEK 100 is non-refundable.

Issuing institutions and financial, legal advisers

Nordic Issuing AB acts as an issuing institution due to the current situation emission. Sedermera Corporate Finance AB and Markets and Corporate Law Nordic AB acts as financial advisor and legal advisor, respectively.