
Proposed merger between Oncology Venture and Medical Prognosis Institute

Hørsholm, Denmark – Oncology Venture Sweden AB (publ) (“Oncology Venture” or “OV”) (AktieTorget: OV) and Medical Prognosis Institute A/S (“MPI”) (Nasdaq First North Stockholm: MPI) today jointly announce that their respective Boards of Directors have agreed on a joint merger plan (the “Merger Plan”) to accomplish a merger of the companies (the “Merger”). Combining these two highly complementary businesses will result in a leading integrated oncology biotechnology company with a promising anticancer drug pipeline (OV) resting on a proprietary patient screening technology to predict drug response (MPI’s DRP®). The Merger will be implemented with MPI as the continuing legal entity and OV as the discontinuing entity. Following completion of the merger the combined company will be referred to as ‘Oncology Venture’. The Merger is conditional upon, inter alia, approvals at the extraordinary general meetings of both companies. Oncology Venture’s shareholders will receive as merger consideration 1.8524 shares in Medical Prognosis Institute for each share in OV. Above 50 percent of the shareholders in OV and above 70 percent of the shareholders in MPI, have undertaken or declared their intention to vote in favor of the Merger at their respective upcoming extraordinary general meetings.

The Boards of Directors of Oncology Venture and MPI1 have identified considerable strategic and operational rationales for a merger, based on the companies’ complementary business models, strong business relations and high degree of interdependence, as well as the significant overlaps in terms of ownership structures and executive management teams.

Creating a leading integrated company with unique competences and resources to identify and develop personalized cancer drugs

- The proposed Merger has the potential to create a leading oncology biotechnology company that deploys MPI’s unique biomarker technology (DRP®) with Oncology Venture’s capability of identifying and developing personalized cancer drugs.
- The combined company will be well positioned to play a significant role in defining the cancer treatments of tomorrow, by providing opportunities for higher-speed drug development processes and better accuracy in drug relevance to patients.
- With one company in full control of both the DRP® technology and the drug candidates under development, transparency towards drug candidate licensees and licensors increases.
- The Merger will build strength through increased scale and possible product diversification, enabling a more diversified revenue base.
- Expected operational synergies amount to more than SEK 2 million per year. Savings that will be transferred into our core business of drug development.

Shareholdings between Oncology Venture and MPI

MPI holds 8.45 percent of the shares in Oncology Venture at the date of the announcement of the Merger. Furthermore, MPI holds warrants entitling MPI to subscribe for shares corresponding to approximately additionally 1.44 per cent of the shares in Oncology Venture. Oncology Venture does not hold or control any shares in MPI or any other financial instruments which gives Oncology Venture a financial exposure equivalent to a shareholding in MPI.

¹ Peter Buhl Jensen, Chief Executive Officer in both MPI and Oncology Venture and Board member in Oncology Venture, Steen Knudsen, Board member in both MPI and Oncology Venture and Ulla Hald Buhl, Board member in Oncology Venture and Chief Operations Officer in MPI and OV, have not participated in the respective Board of Director’s handling of the Merger.

Summary of the transaction

- The Boards of Directors are of the opinion that the combination of MPI and OV should be implemented by means of a statutory cross border merger in accordance with the EU Directive 2005/56/EC of 26 October 2005 as implemented in Danish and Swedish law, respectively, whereby the companies' shareholders are given the opportunity to approve the merger at their respective extraordinary general meetings. The Boards of Directors propose that the Merger is implemented with MPI as the continuing legal entity and OV as the discontinuing entity. The plan is that the name of the merged company will be 'Oncology Venture'.
- The exchange rate of shares between the two companies has been calculated based on the 4 weeks trading volume-weighted average share price of the two companies, following the completion of the OV capital raise on 25 January 2018. No premium/discount is given to either company's shareholders.
- OV's shareholders will receive as a merger consideration 1.8524 shares in MPI for each share in OV outstanding as at completion of the Merger. Hence, OV's shareholders will receive approximately 51.3 percent economic ownership in the combined company.
- Each holder of the warrants issued in existing warrant programs in OV have undertaken in relation to OV and MPI not to exercise the warrants and the warrants will hence be annulled in connection with the Merger. The holders of these warrants will subsequently be issued warrants in MPI with substantially the same terms and financial value as the existing warrants.
- The current Board of Directors of MPI will continue until the first General Meeting of the merged company. The continuing Board of Directors is planned to consist of members from both of the current Boards of Directors.
- The completion of the Merger is subject to, *inter alia*, approval by the shareholders of each of MPI and OV at their respective extraordinary general meetings, which are currently expected to be held in late May or early June 2018.
- The formal decision to the proposed merger will be taken at an Extraordinary General Meeting (EGM) in each of the respective companies. The decision requires support from at least 2/3 of the shares present and votes cast at the EGM in order to be formally agreed upon.
- Above 50 percent of shareholders in OV, including Sass & Larsen Aps, Buhl Krone Holding Aps, Seed Capital A/S and above 70 percent of shareholders in MPI, including MPI Holding Aps (fully owned by Steen Knudsen), Sass & Larsen Aps and Buhl Krone Holding Aps, have undertaken to vote in favor of the Merger at the respective upcoming extraordinary general meetings.
- The combined company will continue to be listed on Nasdaq First North.

The Board of Directors of Oncology Venture considers the merger consideration to be fair from a financial point of view to its shareholders, and has obtained a fairness opinion from KPMG Transactional Advisors, dated as of March 8, 2018, reflecting their opinion as of that date that, on the basis of the considerations stated therein, the merger consideration to be paid by MPI is fair, from a financial point of view, to the shareholders in Oncology Venture.

The Board of Directors of MPI considers the merger consideration to be fair from a financial point of view to its shareholders and has obtained a valuation expert's statement dated March 8, 2018 from EY Transaction Advisory reflecting their opinion as of that date that, on the basis of the considerations stated therein, the merger consideration to be paid by MPI is fair, from a financial point of view, to MPI.

Comments from Frank Knudsen, Chairman of the Board of Directors of MPI:

"I'm very happy about this opportunity to create a leading, integrated oncology biotech company with a promising anticancer drug pipeline developed by a proprietary Drug Response Predictor. I believe that by combining the assets and capabilities of MPI and Oncology Venture, we can bring new and improved cancer treatments to patients in a time- and cost-efficient way."

Comments from Duncan More, Chairman of the Board of Directors of Oncology Venture:

"Merging is the natural next step for both companies. I believe that by creating a 'One Stop Shop' the unified focus and savings will enable us to do more – faster. I also believe that the business model which includes both the DRP® technology as well as anticancer drug development differentiates us from other companies and positions us as an attractive partner for developers – that is drug owners with cancer products that require our technology (DRP®) to become clinically relevant - and customers that are drug companies with commercialization power. The approval of anticancer drugs for the treatment of tumors based on their molecular

biology as opposed to their histopathology or location in the body is becoming a feature of the market. This is precisely the goal of the new combined company”

Comments from Peter Buhl Jensen, CEO of Oncology Venture and MPI:

“The Merger is a long time wish from several investors and the unity will be a valuable advantage in negotiations with drug owners, potential biotech and pharma partners and future acquirers of our drug candidates. The future of oncology drug development is increasingly integrating drugs and their companion diagnostics – we will be on the forefront of this development.”

Comments from Steen Knudsen, CSO, inventor of the DRP® technology and founder of MPI:

“I’m very supportive of merging the two companies as I believe that this will best facilitate a focused and fast route for putting the DRP to work for the benefit of cancer patients.”

Overview of the combines company

Business overview

The combined company will be a leading Global oncology biotechnology company, with a clear focus as well as a modern vision of how the oncology market place is developing. The deployment of the unique biomarker technology that is the DRP technology to identify high likely responders for all the in-licensed pipeline products is expected to result in faster progress and more commercially viable products.

Due to the nature of biotechnology and the maturity of the combined company limited revenue generation is expected in the coming 12-18 months. Hence, the company will be dependent upon current liquidity reserves, and its ability to attract new liquidity.

The company currently holds liquidity reserves that allows the company to execute its current plans throughout 2018.

The company will undertake the necessary initiatives to ensure the needed funding is readily available end of 2018 for the company to fully realize its plans and exploit its opportunities.

Following the merger of MPI and OV it is the intention of the management of the combined company to bring the company to the Nasdaq main market in Stockholm.

Oncology Venture has been advised by Dragon Financial Partners.

Synergies and Integration

The Merger is expected to create substantial value for the shareholders of the combined company through synergies resulting from the coordination of the operations of the two companies and through the expansion of the combined company’s addressable business opportunities compared to MPI’s and OV’s standalone. In total, annual operating synergies are estimated to be in excess of SEK 2 million.

The synergies are expected to be realized with a short time horizon, and latest in year 2 following the Merger.

The integration of operations will commence immediately after the Merger is completed, and it is expected that the combined company will start to achieve synergies from the first year following the transaction completion. The integration is expected to be relatively smooth, given the overlapping management and key resources across the two companies.

Effects for employees

At completion of the Merger, the employees of Oncology Venture will – as a consequence of the Merger – automatically become employees of the combined company on terms and conditions equal to their existing employment terms and conditions. It is expected that all employment agreements will continue unaltered following the Merger and no redundancies are expected.

Ownership structure

Pursuant to the Merger Plan, OV's shareholders will receive approximately 51.3 percent economic ownership in the combined company.

The illustrative table below shows the ownership of the combined company as if the Merger had been completed based on the latest available shareholding information.

	Current shareholding MPI	Current shareholding OV	Post merger, no sale of MPI's OV shares	Post merger, sale of all MPI's OV shares
SASS & LARSEN APS	19,85%	15,03%	18,16%	17,37%
MPI Holding	25,38%	0,00%	12,91%	12,35%
BUHL KRONE HOLDING APS	10,19%	9,28%	10,17%	9,73%
BNY MELLON SA/NV (FORMER BNY), W8IMY	0%	6,38%	3,43%	3,28%
UBS SWITZERLAND AG-SPARNORD S.A.	0%	5,25%	2,81%	2,69%
BNYMSANV RE JYSKE BANK OWN HOLDINGS	5,26%	0%	2,68%	2,56%
Other shareholders with less than 5%	39,32%	64,06%	49,84%	52,02%
Total	100%	100%	100%	100%

Source: Company information

Following the Merger, the combined company will continue to be listed on Nasdaq First North Stockholm and be domiciled and headquartered in Hørsholm, Denmark.

Recommendation from the Board of Directors of MPI

The Board of Directors of MPI is of the opinion that the Merger is beneficial to MPI and its shareholders. The Board also considers the merger consideration to be fair from a financial point of view to MPI and has obtained a valuation expert's statement dated March 8, 2018 issued by EY Transaction Advisory reflecting their opinion as of that date that, on the basis of the considerations therein, the merger consideration to be paid by MPI is fair, from a financial point of view, to MPI.

Recommendation from the Board of Directors of OV

The Board of Directors of OV is of the opinion that the Merger is beneficial to OV and its shareholders. The Board also considers the merger consideration to be fair, from a financial point of view, to the holders of OV shares and this view is supported by a fairness opinion from KPMG Valuation Advisors, acting as financial advisor to the Board of Directors of OV, dated as of March 8, 2018, to the effect that, as of such date and based upon and subject to the assumptions and limitations set forth therein, the merger consideration to be received in the merger by holders of OV shares is fair, from a financial point of view, to such holders. The Board of Directors of OV has issued a statement pursuant to Section II.19 of the Takeover rules for certain trading platforms adopted by the Swedish Corporate Governance Board (*Sw. Takeover-regler for vissa handelsplattformar som utfärdats av Kollegiet för svensk bolagsstyrning*) (the "Takeover Rules"), in which the shareholders of OV are recommended to vote in favor of the Merger.

Conditions for the Merger

Completion of the Merger is subject to the satisfaction of the following conditions prior to the general meetings of the respective companies voting on the merger proposal:

- (i) the registration by Danish FSA of a merger prospectus;
- (ii) passporting of the merger prospectus to Sweden in accordance with Article 25 of Regulation (EU) 2017/1129; and
- (iii) no material adverse change affecting either of the companies shall have occurred or be pending or shall be threatening to occur.

The Board of Directors of each of the companies will only convene the general meetings of the respective company voting on the merger proposal if the conditions set out above are satisfied or waived, provided that this right will only be utilized to the extent permitted by applicable law, if the non-satisfaction is of material importance to the Merger or the combined company. The Board of Directors of the companies may waive the above conditions at their discretion.

In the event that the conditions stipulated in (i) – (iii) have not been satisfied by each company on or before September 30 2018 the Merger Plan will automatically terminate and cease to have any further force or effect.

Applicable law and disputes

The Merger shall be governed by and construed in accordance with the laws of Sweden. The Takeover Rules, the Swedish Securities Council's (*Sw. Aktiemarknadsnämnden*) statements and advice on interpretation and application of the Takeover Rules and, if applicable, the Swedish Securities Council's earlier statements and advice on interpretation and application of the Industry and Commerce Stock Exchange Committee's (*Sw. Näringslivets Börskommitté*) rules for public offers as previously applicable, are applicable on the merger. The courts of Sweden shall have exclusive jurisdiction over any dispute arising out of or in connection with the Merger and the City Court of Stockholm shall be the court of first instance.

Tentative time schedule

	The Merger Plan is announced and made available to the companies' shareholders
April, 2018	Publication of the merger prospectus
May, 2018	Extraordinary general meetings in MPI and OV
August, 2018	The Swedish Companies Registrations Office registers the Merger

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About Oncology Venture Sweden AB

Oncology Venture Sweden AB is engaged in the research and development of anti-cancer drugs via its wholly owned Danish subsidiary Oncology Venture ApS. Oncology Venture has an exclusive license to use the Drug Response Predictor (DRP®) technology in order to significantly increase the probability of success in clinical trials. DRP® has proven its ability to provide a statistically significant prediction of clinical outcomes from drug treatment in cancer patients in 29 of the 37 clinical studies that were examined. The Company uses a model that alters the odds in comparison with traditional pharmaceutical development. Instead of treating all patients with a particular type of cancer, patients' tumors' genes are screened first with DRP® and only those who are most likely to respond to the treatment will be treated. Via a more well-defined patient group, the risk and costs are reduced while the development process becomes more efficient.

The current product portfolio: LiPlaCis® for Breast Cancer in collaboration with Cadila Pharmaceuticals, Irofulven developed from a fungus for prostate cancer and APO010 – an immuno-oncology product for Multiple Myeloma. Oncology Venture has spun out two companies in Special Purpose Vehicles: 2X Oncology Inc. a US based company focusing on Precision medicine for women's cancers with a pipeline of three promising phase 2 product candidates and Danish OV-SPV 2 will test and potentially develop the Novartis small molecule kinase inhibitor.

About MPI

Medical Prognosis Institute is a publicly traded international company specialized in improving cancer patients' lives by developing Personalized Medicine using its unique DRP® technology. MPI's exceptional opportunity to personalize cancer treatment begins with Breast Cancer moving on to

Multiple Myeloma and Prostate Cancer as the first steps. MPI's DRP[®] tool has shown its ability to separate patients who benefit and who do not benefit from a specific cancer treatment. This has been shown in as many as 29 out of 37 trials, and covers more than 80 anti-cancer treatments in a wide range of cancer indications. MPI has built a significant large database with over 1,400 screened breast cancer patients and is building up a database in Multiple Myeloma to be followed by Prostate cancer in collaboration with oncologists and hematologists throughout Denmark. MPI has ownership of Oncology Venture (Publ) a spinout with three anti-cancer drugs in pipeline entered and of the privately hold Special Purpose Vehicles, 2X Oncology Inc. and OV-SPV2 Aps with four products in pipeline.

This is information that Oncology Venture Sweden AB (publ) and Medical Prognosis Institute A/S are obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on March 9, 2018.