



Press release 9 April, 2018

RhoVac announces a rights issue of SEK 24.5 million aimed at strengthening business development activities

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On 9 April 2018, the board of directors of RhoVac AB (publ) ("RhoVac" or "the Company") resolved to propose the annual general meeting of 9 May 2018 to resolve on a rights issue of approximately SEK 24.5 million before issue costs. The net proceeds of the rights issue are primarily intended to strengthen the Company's position, thereby creating better conditions in the work of identifying potential partnerships or outsourcing opportunities. As part of this, the Company will also initiate preparations for Phase IIb clinical trials.

Persons, who on the record date 16 May 2018 are shareholders of RhoVac, have pre-emptive rights to subscribe for new shares in the rights issue, whereby six (6) existing shares entitle to subscription for one (1) new share at a subscription price of SEK 18 per share. The subscription period runs from 18 May 2018 up to and including 1 June 2018.

The rights issue is secured up to 80 percent through subscription undertakings on approximately 6.0 MSEK equal to approximately 24.4 percent and entered guarantee undertakings on approximately 13.6 MSEK equal to approximately 55.6 percent. All the members of the Board of Directors and senior executives participate through subscription undertaking. All external investors who entered guarantee undertakings also participate through subscription undertaking.

Background and reasons

RhoVac is a biotechnology company conducting research and development of an immunotherapeutic cancer vaccine. The Company's primary focus is the development of the drug candidate RV001 with the potential to prevent or limit the spread and recurrence of cancer in the treatment of several different cancer indications. The Company's development strategy is based on licensing or selling all or parts of the business as soon as possible after completion of clinical phase I/II trial regarding RV001. As the ongoing phase I/II study is in its final stages, RhoVac is investing aggressively in its business development through, among other things, to, as previously announced, employ David Colpman at Colpman Consulting Ltd. The reason for the rights issue of approximately SEK 24.5 million at full subscription (before issue costs) is to primarily strengthen the business development with the purpose of identifying possible licensing opportunities or partnerships, follow-up of clinical phase I/II study, regulatory preparations for a clinical phase IIb study and general working capital required.

A fully subscribed rights issue would provide the Company with SEK 21.5 million (after issue costs), which exceeds the Company's capital requirements over the next 12 months. In this case, the Company will adjust scheduled activities and allocation of capital taking into account the status of potential licensing and partnership discussions. Focus will be on activities that at the time are deemed most relevant in order to increase the value of the Company. In a step to further strengthen the business development in the next 12 months, the Board will propose Gunnar Gårdemyr as a new Board member at the AGM. The Company wishes to use Mr. Gårdemyr's extensive experience and contact network in the Life Science area to further strengthen the Company's business development.

The rights issue

On 9 April 2018, the board of directors of RhoVac AB resolved to propose the annual general meeting of 9 May 2018 to resolve on a new share issue with pre-emptive rights for the Company's existing shareholders of approximately SEK 24.5 million before issue costs. Persons, who on the record date 16 May 2018 are shareholders of RhoVac, have pre-emptive rights to subscribe for new shares in the rights issue, whereby six (6) existing shares entitle to subscription for one (1) new share (i.e. a 1:6 subscription ratio).

The subscription price amounts to SEK 18.00 per share. The subscription period runs from and including 18 May up to and including 1 June 2018. Through the rights issue, not more than 1,360,507 new shares will be issued, corresponding to a share capital increase of SEK 244,891.26.

Subscription and guarantee undertakings

The rights issue is secured through subscription and guarantee undertakings up to 80 percent of the rights issue, corresponding to approximately SEK 19.6 million. RhoVac has received subscription undertakings of approximately SEK 6.0 million, corresponding to approximately 24.4 percent of the rights issue, from all the members of the Board of Directors and senior executives and, in particular, from a limited number of external investors by overtaking subscription rights. In addition, the Company has received guarantee undertakings of approximately SEK 13.6 million, corresponding to approximately 55.6 percent of the rights issue, whereof all of them have agreed to takeover subscription rights.

Shareholders who choose not to participate in the rights issue will have their shareholdings diluted by approximately 14.3 percent but are able to fully or partially financially compensate for this dilution by selling their subscription rights. In the event that all shares are not subscribed for with subscription rights, the board will, within the framework of the maximum amount of the rights issue, decide on the allotment of shares subscribed for without subscription rights

The rights issue is subject to approval from the annual general meeting of 9 May 2018. The convening notice of the annual general meeting is announced through a separate press release.

The full terms and conditions of the rights issue, as well as other information about the Company, will be outlined in an information memorandum, which will be published prior to the commencement of the subscription period.

Indicative timetable

9 May 2018	Annual general meeting for resolution on the rights issue
14 May 2018	Last day of trading in the RhoVac share, including the right to participate in the rights issue
16 May 2018	Record date for the right to participate with pre-emptive right in the rights issue
18 May – 1 June 2018	Subscription period
18 May – 30 May 2018	Trading in subscription rights
Around 7 June 2018	Announcement of the results of the rights issue

Advisers

Arctic Securities AS, Sweden branch, is acting as financial adviser to RhoVac in connection with the rights issue. Advokatfirman Lindahl is acting as legal adviser to the Company.

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This is an English version of an original Swedish press release communicated by RhoVac AB. In case of interpretation issues or possible differences between the different versions, the Swedish version shall apply. This constitutes information that RhoVac AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 9 April 2018 at 08.30 hrs.

Important Information

The information in this press release does not constitute an offer to acquire, subscribe for, or otherwise trade in RhoVac AB shares or other securities. The invitation to the persons concerned to subscribe for shares in RhoVac will only take place through the information memorandum, which RhoVac will publish. No action has or will be taken by RhoVac to allow an offer to the public in jurisdictions other than Sweden.

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No shares have or will be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and may not be offered, subscribed for, sold, or transferred, directly or indirectly, within the United States, except after written approval from RhoVac and under an applicable exemption from the registration requirements of the Securities Act and in accordance with securities legislation in the relevant state or other jurisdiction in the United States.

Forward-looking statements

This press release contains certain forward-looking statements that reflect the Company's current view and expectations of future events and financial and operational development, including statements regarding the Issue as well as statements regarding guidance, planning, prospects, and strategies. Words such as “intend”, “expect”, “plan”, “anticipate”, “estimate”, “may”, and other expressions that imply indications or predictions of future development or trends, and which are not based on historical facts, constitute forward-looking statements. Although the Company considers these statements to be based on reasonable assumptions and expectations, the Company cannot guarantee the realisation of such forward-looking statements. As these forward-looking statements involve both known and unknown risks and uncertainties, the actual outcome may differ materially from the forward-looking statements. The forward-looking statements in the press release speak only as of its date and are subject to change without notice. The Company makes no commitment to publish updates or revisions of forward-looking statements as a result of new information, future events, or the like, beyond what is required by applicable laws or stock market regulations.

About RhoVac AB

RhoVac AB conducts research and development of immunotherapeutic drugs. The company's main focus is the development of a therapeutic cancer vaccine with the potential to prevent or limit metastasis in cancer. RhoVac's first drug candidate has completed pre-clinical phase and clinical phase I/II study has started spring 2017. RhoVac has its head office at Medicon Village in Lund, Sweden. The research has been conducted since 2007 primarily at the University Hospital in Herlev, Denmark, by a world-class research team in its niche. RhoVac is listed on AktieTorget, Sweden, a Multilateral Trading Facility (MTF), since March 2016. The share is traded under the ticker RHOVAC. Read more at www.rhovac.com.