



Vicore Pharma and HealthCap create a leading drug development company focused on severe lung diseases

Vicore Pharma Holding AB (publ) ("Vicore" or "The Company") has entered into an agreement to acquire INIM Pharma AB ("INIM"), a Swedish biopharmaceutical company developing a new local treatment for severe rare lung diseases such as idiopathic pulmonary fibrosis ("IPF"). Payment for the acquisition is effectuated through an issue in kind, corresponding to a dilution of 35.8 percent. HealthCap VII LP ("HealthCap") currently owns 85 percent of INIM and will hold approximately 30.4 percent of the shares in Vicore following the transaction.

The Board of Directors of Vicore has decided to propose a rights issue of approximately SEK 80 million, in relation to which HealthCap has undertaken to subscribe its pro rata share. In total, around 56.5 percent of the rights issue is covered through subscription intentions and undertakings.

In addition, the Board of Directors of Vicore proposes that the majority of the shareholding in I-Tech, amounting to 2,075,392 shares, is distributed to Vicore's shareholders ahead of the acquisition and the rights issue.

The acquisition of INIM and the Board of Directors' proposal for a resolution on a rights issue and the distribution of the shares in I-Tech requires the approval of an Extraordinary General Meeting expected to be held on 13 August 2018. The transaction also requires that HealthCap receives dispensation from a mandatory bid requirement.

Key points

- Vicore acquires INIM through an issue in kind where Vicore issues 8,851,502 shares as compensation for all outstanding shares in INIM. The issue in kind entails a dilution for Vicore's shareholders of 35.8 percent¹.
- HealthCap currently owns 85 percent of INIM, the remainder of the shares are held by founders and the partner Nanologica AB. Following the rights issue, HealthCap will hold about 30.4 percent² of the shares in Vicore, becoming the Company's largest owner.
- INIM develops a local treatment for severe interstitial diseases such as IPF in collaboration with Nanologica AB where their drug delivery technology is applied on validated immunomodulatory drugs.
- The main focus for Vicore is lung diseases where the company's drug candidate, C21, is facing the start of a Phase II clinical trial in IPF. Through the acquisition of INIM, the project portfolio is expanded with a substance which profile complements C21, through the use of a different mechanism of action, form of administration and effect on severe symptoms. Furthermore, the acquisition strengthens Vicore's position and provides Vicore's shareholders with diversification within the field of rare severe lung diseases.
- At the time of the acquisition, INIM holds a net cash position of SEK 20 million. To provide additional capital and thus enable an aggressive clinical development plan for C21 and INIM's development program, the Board of Directors of Vicore proposes that a rights issue of approximately SEK 80 million is executed.

¹ Including outstanding warrants, the dilution amounts to 35.0%

² Including outstanding warrants, HealthCap will hold about 29.8%

- The terms for the rights issue will be communicated in the notice to the Extraordinary General Meeting.
- HealthCap, which will hold about 30.4 percent of the shares in Vicore after the acquisition of INIM, has undertaken to subscribe for its pro rata share in the rights issue. In addition, several of the existing shareholders in Vicore, including Proteom Wessman, Swedbank Robur, Kjell Stenberg, Unionen, Jonas Wikström, Alfred Berg and Leif Darner have expressed their intention to subscribe for their respective share in the rights issue. In total, around 56,5 percent of the rights issue is covered through subscription intentions and undertakings.
- In order to streamline operations while enabling Vicore's existing shareholders to participate in the potential of I-Tech, recently listed on Nasdaq First North, the Board of Directors of Vicore proposes that the majority of the shareholding amounting to 2,075,392 shares is distributed to shareholders ahead of the acquisition of INIM and the rights issue.
- The acquisition of INIM and the Board of Directors' proposal for a resolution on a rights issue and the distribution of the shares in I-Tech requires the approval of an Extraordinary General Meeting expected to be held on 13 August 2018. Notice of the Extraordinary General Meeting will be made by a separate press release.
- The election of two new board members, Hans Schikan and Jacob Gunterberg, will be proposed to the Extraordinary General Meeting.

Background and reason

Vicore has developed the substance C21, an AT2 receptor agonist with the potential to affect the course of disease within a range of indications. The positive characteristics of C21 are supported by extensive pre-clinical research. Vicore has focused the development of C21 to fibrotic lung diseases where the company, in pre-clinical studies, has demonstrated that C21 may affect IPF and related indications. The company has received approval for a Phase IIa study on IPF patients. C21 has received orphan drug designation in both the US and EU for the indication IPF. In addition to IPF, Vicore evaluates further related indications where C21's antifibrotic properties can enable effective treatments.

INIM develops a local treatment of severe interstitial diseases such as IPF in collaboration with Nanologica AB where their technology is applied to validated immunomodulatory drugs. INIM bases its development program on a substance class with demonstrated effect in both preclinical and clinical studies regarding fibrotic diseases such as IPF. INIM is currently working on optimization of formulation and other preparatory activities in order to initiate a Phase I clinical trial in 2019. Thereafter, the goal is to initiate a Phase II study in a severe interstitial lung disease in 2020.

Vicore's and INIM's operations complement each other well and through the acquisition, a broad portfolio focused on IPF and other rare and difficult to treat lung diseases is created. IPF and severe lung diseases are indications that have attracted significant interest from the pharmaceutical industry, and Vicore sees good opportunities to establish itself as a leading company in the field.

In addition to broadening the project portfolio, the acquisition of INIM significantly increases Vicore's expertise in lung diseases and drug development. INIM is a company founded by HealthCap together with a group of experienced drug developers and Vicore will be provided with the expertise and network built up by INIM.



Comment from Leif Darner, Chairman of the Board of Vicore Pharma

The acquisition of INIM is an attractive opportunity to broaden the business of Vicore, where the intention is to build a leading company with a clear focus on severe lung diseases. In order to streamline operations, we propose that the shares of our associated company I-Tech be distributed to the shareholders ahead of the acquisition of INIM. In this way, Vicore's shareholders will be able to fully participate in the exciting journey I-Tech has recently begun on Nasdaq First North.

The acquisition of INIM also means an important expansion of the ownership in Vicore, where HealthCap will contribute as a major and active owner of the company. HealthCap is one of the leading life science investors in Europe and has repeatedly invested in and developed companies focusing on orphan drugs for the treatment of severe diseases.

Comment from Jacob Gunterberg, Partner at HealthCap

C21 is a very interesting compound and Vicore has established an interesting position within IPF and related diseases. Rare and severe lung disease is an area where there is a large medical need and we believe that INIM's exciting development program complements C21 and that the projects together constitute a very interesting base for the creation of an internationally leading company focusing on severe rare lung diseases. HealthCap looks forward to working closely with Vicore with regards to the development of C21 and INIM's drug program in the coming years.

The acquisition of INIM

The acquisition of all outstanding shares in INIM is implemented through an issue in kind where Vicore issues 8,851,502 shares. The issue in kind implies a dilution for Vicore's shareholders of 35.8³ percent. The shares are subscribed by existing owners in INIM, where HealthCap is the largest shareholder with 85.0 percent of the shares. Remaining owners consist of founders and partner Nanologica AB. In addition to the operations related to INIM's development program, the company holds a net cash position of SEK 20 million at the time of acquisition.

The issue in kind will increase the share capital in Vicore with SEK 4,425,751 to SEK 12,360,003. The number of shares will increase with 8,851,502 to 24,720,006.

The acquisition and issue in kind are subject to approval by an Extraordinary General Meeting scheduled for August, 13 2018 and that HealthCap receives dispensation from a mandatory bid requirement. Notice to the Extraordinary General Meeting will be made through a separate press release.

Further information on INIM will be presented at the Extraordinary General Meeting and in the prospectus that will be published in connection with the rights issue.

The rights issue

The rights issue is implemented after the issue in kind has been registered. The final terms of the rights issue are to be communicated in the notice to the Extraordinary General Meeting and is expected to provide Vicore with proceeds of approximately SEK 80 million before transaction costs.

HealthCap, which will hold about 30.4 percent⁴ of the shares in Vicore after the acquisition of INIM, has undertaken to subscribe for its pro rata share of the rights issue. Furthermore, existing shareholders in Vicore, Protem Wessman, Swedbank Robur, Kjell Stenberg, Unionen, Jonas Wikström, Alfred Berg and Vicore's Chairman of the Board, Leif Darner have expressed

³ Including outstanding warrants, the dilution amounts to 35.0%

⁴ Including outstanding warrants, HealthCap will hold about 29.8%



their intention to subscribe for their respective share of the rights issue. In total, around 56,5 percent of the rights issue is covered by subscription intentions and undertakings.

The rights issue is conditional upon approval at an Extraordinary General Meeting expected to be held on August 13, 2018. Notice to the Extraordinary General Meeting will be made through a separate press release.

Distribution of I-Tech shares

Vicore holds 2,075,392 shares in I-Tech, a company recently listed on Nasdaq First North. In order to streamline operations while allowing Vicore's existing shareholders to participate in the potential of I-Tech, the Board of Directors of Vicore proposes that most of the shares are distributed to shareholders ahead of the acquisition of INIM.

The Board of Directors proposes that 1,983,563 I-Tech shares are distributed to the shareholders of Vicore. The terms of the distribution mean that eight (8) shares in Vicore entitles the holder to receive one (1) share in I-Tech. The record date for the dividend is expected to be on August 17, 2018. The I-Tech shares will be subject to lock-up until May 2019.

Expansion of the Board of Vicore

To the Extraordinary General Meeting in Vicore, a number of existing shareholders intend to propose that Hans Schikan and Jacob Gunterberg be elected to the Board. Hans Schikan, born 1958, has a Pharma.D from Utrecht University. Schikan is among others Chairman of Asceneuron, Switzerland, Interna Tehnologies, The Netherlands and Complix, Belgium and a former Board member of Hansa Medical and Wilson Therapeutics, Sweden. Jacob Gunterberg, born 1967, M.Sc. Business Administration and Economics at Lund University, is a partner at HealthCap since 2007. Gunterberg is among others Chairman of INIM Pharma, Sweden, Board member of CARISMA Therapeutics, USA and Trimb Holding, Sweden, as well as former board member of MIPS and Wilson Therapeutics.

Preliminary time plan

Extraordinary General Meeting	August 13, 2018
Last day for trading in Vicore's share with the right to receive shares in I-Tech	August 15, 2018
First day of trading in Vicore's share without the right to receive shares in I-Tech	August 16, 2018
Record day for receiving shares in I-Tech	August 17, 2018
Expected date for registering the issue in kind related to the acquisition of INIM	August 20, 2018

For further information regarding INIM and HealthCap, please contact:

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Advisers

Erik Penser Bank AB is financial advisor, MAQS Law Firm is legal advisor and Zonda Partners is strategic adviser to Vicore in connection with the acquisition of INIM and the rights issue.

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Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in Vicore. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for shares in Vicore will only be made through the prospectus that Vicore estimates to publish on or around September 10, 2018.

The information in this press release may not be released, published or distributed, directly or indirectly, in or into the United States (including its territories and provinces, every state in the United States and the District of Columbia) ("USA"), Canada, Australia, Japan, Hong Kong, Switzerland, New Zealand, Singapore, South Africa or any other jurisdiction in which such action is subject to legal restrictions or would require other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws.

No shares or other securities in Vicore have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities legislation of any state or other jurisdiction in the United States and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except under an available exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States.

This information is information that Vicore Pharma Holding AB is 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, at 08.30 CET on July 3, 2018

About Vicore Pharma Holding

Vicore Pharma AB develops drugs that act through the AT2 receptor. The company's drug candidate C21 aims to improve the treatment of idiopathic pulmonary fibrosis, a rare disease for which C21 has been granted orphan drug designation both in the EU and the US. In addition, C21 is explored pre-clinically in a number of rare diseases where the AT2 receptor plays an important role. I-Tech AB has developed and commercialized a substance, Selektope® for use as an antifouling ingredient in antifouling paints. The companies are based in Astra Zeneca's Bioventurehub in Mölndal. The company's share (VICO) is listed for trading on Nasdaq First North in Stockholm with Erik Penser Bank as Certified Adviser. For more information, see www.vicorepharma.com.