

## Notice to extraordinary shareholders' meeting in Oncology Venture Sweden AB (publ)

**The shareholders of Oncology Venture Sweden AB (publ), 559016-3290, are hereby invited to attend the extraordinary shareholders' meeting on Tuesday 17 January 2017 at 10:00 at the offices of Setterwalls Advokatbyrå AB, Stortorget 23, Malmö, Sweden.**

### **Right to attend and notification**

Shareholders who wish to attend the extraordinary shareholders' meeting must

- be registered on Wednesday 11 January 2017 in the share register maintained by Euroclear Sweden AB, and
- provide written notification to the company no later than Wednesday 11 January 2017 of the intention to attend, submitted to Oncology Venture Sweden AB, Venlighedsvej 1, DK-2970 Hørsholm, Denmark. Notification may alternatively be made by telephone: +45 21 70 10 49 or by e-mail to: [info@oncologyventure.com](mailto:info@oncologyventure.com). The notification of intention to attend must include the full name, civic registration number or corporate identity number, number of shares owned, mailing address, daytime telephone number, and where applicable, information about any the number of assistants (maximum of two). Where necessary, the notification should preferably be accompanied by letters of proxy, registration certificates and other authorizing documents.

### **Nominee registered shares**

Shareholders whose shares are nominee-registered through a bank or other nominee must, in order to be entitled to participate at the shareholders' meeting, temporarily register the shares in their own name with Euroclear Sweden AB. Such re-registration must be completed by Wednesday 11 January 2017, which means that shareholders desiring such re-registration must inform the nominee in due time before said date.

### **Proxy, etc.**

If a shareholder is to be represented by a proxy, the proxy must bring to the meeting a dated power of attorney, signed by the shareholder. The power of attorney may not be older than one year, unless a longer period of validity (however no longer than five years) is specified in the power of attorney. If the power of attorney is issued by a legal entity, the proxy must also bring a current registration certificate or equivalent document of authority for the legal entity. In order to facilitate entry, a copy of the power of attorney and other authorithy documents should preferably be enclosed with the Notification of Intention to attend the meeting. Forms for power of attorney are available from the company's website [www.oncologyventure.com](http://www.oncologyventure.com), or alternatively will be sent by mail to shareholders who contact the company and provide their address.

### **Number of shares and votes**

The number of outstanding shares and votes in the company at the time of this notice amounts to 10,074,794. The company does not hold any treasury shares.

### **Information on the shareholders' meeting**

Shareholders that are present at the meeting has the right to request information regarding circumstances that can impact the evaluation of a matter on the agenda in accordance with Chap. 7 Sec. 32 item 1 of the Swedish Companies Act (2015:551).

**Proposed Agenda:**

0. Opening of the Meeting.
1. Election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to confirm the minutes.
5. Determination of whether the meeting has been duly convened.
6. Approval of (i) transfer of shares in 2X Oncology, Inc. to Medical Prognosis Institute ApS and (ii) directed new issue in 2X Oncology, Inc.
7. Approval of (i) transfer of shares in OV-SPV2 ApS to Medical Prognosis Institute ApS and (ii) directed new issue in OV-SPV2 ApS.
8. Approval of agreement with Medical Prognosis Institute ApS regarding extended exclusivity and resolution on issue of warrants to Medical Prognosis Institute ApS.
9. Closing of the meeting.

Summary of proposed decisions:

**Approval of (i) transfer of shares in 2X Oncology, Inc. to Medical Prognosis Institute ApS and (ii) directed new issue in 2X Oncology, Inc. (item 6)**

Oncology Venture ApS (“OV Denmark”) is a wholly owned subsidiary of Oncology Venture Sweden AB (publ) (“OV”). OV Denmark and Medical Prognosis Institute A/S (“MPI”) are parties to a license agreement pursuant to which OV Denmark licenses the right to use MPI’s Drug Response Prediction technology (“DRP™”). For a detailed description of the license arrangement between OV Denmark and MPI, please refer to the description on pages 25 – 27 in the memorandum “Inbjudan till teckning av aktier i Oncology Venture Sweden AB” that was published on 26 October 2016 and that is available on OV’s website ([www.oncologyventure.com](http://www.oncologyventure.com)).

In consideration of the license right granted to OV Denmark, MPI is entitled to a royalty corresponding to 10 per cent of any and all payments and earnings of any kind received by OV Denmark, including but not limited to up-front payments, milestone payments and royalty payments received by third parties.

As earlier communicated, OV Denmark has incorporated an oncology therapeutic spin-out in the US for development of drugs for the treatment of women’s cancers using DRP™, 2X Oncology Inc. (“2XO”). OV Denmark has sublicensed its right to use DRP™ to 2XO. In order to be able to obtain external financing for 2XO on attractive terms, OV Denmark and MPI have on 30 December 2016 entered into certain agreements amending the license agreement (such amendments jointly the “Amendment Agreement”) pursuant to which MPI, instead of receiving a 10 per cent royalty on the income generated in 2XO, will receive a 10 per cent partially non-dilutable ownership share in 2XO. “Partially non-dilutable” means that MPI shall be entitled to maintain a 10 per cent ownership share in 2XO until after completion of the (i) seed financing round described below and (ii) a so called Series A round financing through which at least USD 10 million is raised to 2XO. Thereafter, the anti-dilution protection will no longer apply. The anti-dilution protection will be achieved through OV Denmark transferring shares in 2XO to MPI. Pursuant to the Amendment Agreement MPI is entitled to all ordinary rights as a shareholder, including the pre-emptive subscription rights in connection with capital increases. However, the parties have agreed that MPI shall act as a passive shareholder and that MPI

shall be obligated to cast its votes on general meetings of 2XO together with and in accordance with instructions from OV Denmark. The entry into force of the Amendment Agreement is conditional upon that the Amendment Agreement is approved by the shareholders' meeting in OV.

The board of directors of OV considers that the arrangement with MPI receiving a share ownership in 2XO instead of 2XO paying royalty on future income is a fair agreement for OV's shareholders. The board of directors of OV hence considers the transaction to be beneficial for OV's shareholders.

OV Denmark has negotiated with investors regarding a seed investment in 2XO pursuant to which the investors will invest in the aggregate USD 3.5 million for an initial 8 per cent ownership share in 2XO. The investment will be made in the form of preference shares and warrants. Each investor will receive one warrant for each preference share originally purchased and each warrant will entitle the holder to subscribe for one common share at a subscription price of USD 0.01. The preference shares and the warrants will be converted into common shares once 2XO completes a so called Series A round financing in which at least USD 10 million is raised. The "conversion rate" applied will correspond with the valuation in the Series A round but the warrants will in essence mean that the investors will receive a 50 per cent discount compared to the valuation applied in the Series A round financing. Accordingly, the number of common shares received upon conversion will depend on the valuation applied in the Series A round. If the series A round financing for example would be carried out at a pre-money valuation of USD 30 million and in the aggregate USD 25 million would be raised in the Series A round, the total shareholding in 2XO for the investors participating in the seed round would be approximately 12 per cent. In case a Series A round in which at least USD 10 million is raised is not completed at the latest on 31 December 2018, the investors in the seed round will have the right to request that OV Denmark repurchases their shares and warrants in 2XO for a purchase price corresponding to 50 per cent of the amount initially invested. Accordingly, if all investors in the seed round would request OV Denmark to acquire their shares and warrants, the total purchase price payable by OV Denmark would amount to USD 1.75 million.

The investment will be governed by customary investment agreements and shareholders' agreement. In total 30 investors will participate in the seed financing round whereof 28 are existing shareholders in OV. The investors participating in the seed round and their investment in 2XO are set out in the table below. All investors except for Jim La Trache and Myggenæs Holding ApS are existing shareholders in OV. Out of the investors that are existing shareholders in OV, Sass & Larsen ApS is holding 14 per cent of the shares in OV. The other existing shareholders in OV participating in the seed financing round each holds less than 5 per cent of the shares in OV.

<i>Investor</i>	<i>Investment in 2XO (USD)</i>
Sass & Larsen ApS	1.050.000
Samuel Schroeder	1.000.000
Viggo Harboe 2006 Holding ApS	320.000
Claus Frisenberg	90.000
Landsholdet Holding ApS	90.000
Kenneth Thuesen	80.000
GN Invest Cph IVS	70.000
Magnus Ditlevsen	70.000
.B-L Handel A/S	70.000
Thomas Bangsbo	70.000
Nordisk Invest ApS	70.000
Allan Nielsen	60.000
Anders Nielsen	60.000

Mikkel Sass	50.000
Sune Hansen	50.000
Bo Kehler	30.000
Bob Enoch	30.000
Brian Svejsø	30.000
John Bork	30.000
Kenneth Christensen	30.000
Patrick Sass	30.000
Steen Nielsen	30.000
DAH ApS	20.000
Jim La Trache	10.000
TBL Holding	10.000
Myggenæs Holding ApS	10.000
Peter Rasmussen	10.000
Saul Holding ApS	10.000
Steen Kristensen	10.000
Tobias Christensen	10.000

Closing of the seed round is conditional upon that the participation in the seed round by existing shareholders in OV is approved by the shareholders' meeting in OV.

The board of directors of OV considers that the terms and conditions for the seed round are fair to OV and that it will enable continued development of the project. The participation by existing shareholders in OV is a key element for securing the overall financing. The board of directors of OV hence considers the transaction to be beneficial for OV's shareholders.

The board of directors in OV has obtained a so called "Fairness Opinion" from KPMG that supports that (i) the transfer of shares in 2XO from OV Denmark to MPI; and (ii) the terms and conditions for the investments in 2XO by existing shareholders in OV, are fair from a financial perspective to OV's shareholders.

MPI is currently holding 10.6 per cent of the shares in OV. Based on this, the board of directors of OV has made the assessment that the Amendment Agreement pursuant to which OV Denmark will transfer shares in 2XO constitutes such transactions that, in accordance with the statement from the Swedish Securities Council in AMN 2012:05, requires approval from the shareholders' meeting in OV. As noted above, the entry into force of the Amendment Agreement is hence conditional upon that the Amendment Agreement is approved by the shareholders' meeting in OV.

As noted above, many of the investors participating in the seed round in 2XO are existing shareholders in OV, whereof Sass & Larsen ApS is holding 14.1 per cent of the shares in OV. Even though a directed new issue in a subsidiary is not covered by the wording of the statement from the Swedish Securities Council in AMN 2012:05, the board of directors' of OV has considered that it is appropriate that the investments are approved by the shareholders' meeting in OV. As noted above, closing of the seed round is hence conditional upon that the participation in the seed round by existing shareholders in OV is approved by the shareholders' meeting in OV.

In accordance with AMN 2012:05, the shares in OV held by MPI and the shares in OV held by Sass & Larsen ApS shall not be considered at the shareholders' meeting's resolution to approve the transactions. Even though it does not follow from AMN 2012:05, the board of directors further proposes that neither the shares in OV held

by the other existing shareholders in OV that are participating in the seed round in 2XO shall be considered at the shareholders' meeting's resolution to approve the transactions.

Based on the above, the board of directors proposes that the extraordinary shareholders' meeting on 17 January 2017 resolves to approve that:

- (i) OV Denmark transfers shares in 2XO to MPI on the terms and conditions described above (including the anti-dilution protection); and
- (ii) the existing shareholders set out above participate in the seed round in 2XO on the terms and conditions described above (including the right to request OV Denmark to repurchase shares and warrants under certain circumstances).

The resolutions as per (i) and (ii) shall be passed as a joint resolution.

**Approval of (i) transfer of shares in OV-SPV2 ApS to Medical Prognosis Institute ApS and (ii) directed new issue in OV-SPV2 ApS (item 7)**

OV Denmark intends to incorporate a Danish oncology therapeutic spin-out OV-SPV2 ApS ("OV-SPV2") for development of a specific drug for the treatment of cancers using DRP™. OV-SPV2 will test and potentially develop an oral tyrosine kinase inhibitor from a "Big Pharma" company that owns worldwide rights to the anticancer drug. Final deal terms between OV Denmark and the "Big Pharma" company are currently being negotiated. The drug candidate has been tested in Phase 2 and 3 and biopsies and results are available from the trials. OV Denmark has the opportunity to run a fast and blinded proof of concept DRP™ test on the available patient biopsies to assess if the DRP™ tool can identify responders from the clinical trials. The project is a high risk project and is therefore kept separate so that it will not affect OV in case the results are not positive but the Board of Directors of OV considers that this is a unique possibility to run a risk reduced development program of the Tyrosine Kinase inhibitor if this unique Tyrosine Kinase inhibitor DRP™ works.

OV Denmark will sublicense its right to use DRP™ to OV-SPV2. In order to be able to obtain external financing for OV-SPV2 on attractive terms, OV Denmark and MPI have on 30 December 2016 entered into certain agreements amending the license agreement (such amendments jointly the "Amendment Agreement") pursuant to which MPI, instead of receiving a 10 per cent royalty on the income generated in OV-SPV2, upon incorporation of OV-SPV2 will receive a 20 per cent ownership share in OV-SPV2 whereas OV Denmark will hold the remaining 80 per cent in OV-SPV2. OV Denmark's and MPI's shareholdings will be decreased to 40 and 10 per cent, respectively, following completion of the seed financing round described below. Pursuant to the Amendment Agreement MPI is entitled to all ordinary rights as a shareholder, including the pre-emptive subscription rights in connection with capital increases. However, the parties have agreed that MPI shall act as a passive shareholder and that MPI shall be obligated to cast its votes on general meetings of OV-SPV2 together with and in accordance with instructions from OV Denmark. The entry into force of the Amendment Agreement is conditional upon that the Amendment Agreement is approved by the shareholders' meeting in OV.

The board of directors of OV considers that the arrangement with MPI receiving a share ownership in OV-SPV2 instead of OV-SPV2 paying royalty on future income is a fair agreement for OV's shareholders. The board of directors of OV hence considers the transaction to be beneficial for OV's shareholders.

OV Denmark has negotiated with Sass & Larsen ApS, who currently owns 14.1 per cent of the shares in OV, regarding a seed investment in OV-SPV2 pursuant to which Sass & Larsen ApS in connection with the incorporation of OV-SPV2 will invest in the aggregate USD 0.5 million for a 50 per cent ownership share in OV-SPV2. The investment will be made on a pre-money valuation of OV-SPV2 of USD 0.5 million. OV Denmark will have an option to buy back the investor shares from Sass & Larsen ApS for USD 5 million until 1 December 2017. The investment will be governed by customary investment agreements and shareholders' agreement.

Immediately following completion of the seed financing round, OV-SPV2 will be owned by OV Denmark, MPI and Sass & Larsen ApS with a split of 40 per cent, 10 per cent and 50 per cent. If the proof of concept is successful it is likely that new investors are to be identified for the continued development of the company.

Closing of the seed round is conditional upon that the participation in the seed round by the existing shareholder in OV is approved by the shareholders' meeting in OV.

The size of the seed round will allow proof of concept testing of the DRP™ on the clinical trial material and is sufficient to ensure that the development of the project opportunity can reach the next logical value adding milestone for this project opportunity.

The board of directors of OV considers that the terms and conditions for the seed round are fair for OV and that it will enable continued development of the project. The board of directors of OV hence considers the transaction to be beneficial for OV's shareholders.

The board of directors in OV has obtained a so called "Fairness Opinion" from KPMG that supports that (i) the transaction pursuant to which MPI receives an ownership in OV-SPV2 in connection with the incorporation of OV-SPV2; and (ii) the terms and conditions for the investments in OV-SPV2 by the existing shareholder in OV, are fair from a financial perspective to OV's shareholders.

MPI is currently holding 10.6 per cent of the shares in OV. Based on this, the board of directors of OV has made the assessment that the Amendment Agreement pursuant to which OV will transfer shares in OV-SPV2 constitutes such transactions that, in accordance with the statement from the Swedish Securities Council in AMN 2012:05, requires approval from the shareholders' meeting in OV. As noted above, the entry into force of the Amendment Agreement is hence conditional upon that the Amendment Agreement is approved by the shareholders' meeting in OV.

As noted above, Sass & Larsen ApS being the investor participating in the financing in OV-SPV2 is an existing shareholder in OV holding 14.1 per cent of the shares in OV. Even though a directed new issue in connection with the formation of a special purpose vehicle is not covered by the wording of the statement from the Swedish Securities Council in AMN 2012:05, the board of directors' of OV has considered that it is appropriate that the investment is approved by the shareholders' meeting in OV. As noted above, closing of the seed round is hence conditional upon that the participation in the seed round by Sass & Larsen ApS is approved by the shareholders' meeting in OV.

In accordance with AMN 2012:05, the shares held by MPI and the shares held by Sass & Larsen ApS shall not be considered at the shareholders' meeting's resolution to approve the transactions.

Based on the above, the board of directors proposes that the extraordinary shareholders' meeting on 17 January 2017 resolves to approve that:

- (i) MPI receives shares in OV-SPV2 on the terms and conditions described above; and

- (ii) the existing shareholder in OV Sass & Larsen ApS participates in the seed round in OV-SPV2 on the terms and conditions described above.

The resolutions as per (i) and (ii) shall be passed as a joint resolution.

**Approval of agreement with Medical Prognosis Institute ApS regarding extended exclusivity and resolution on issue of warrants to Medical Prognosis Institute ApS (item 8)**

OV Denmark's license from MPI regarding DRP™ is two-folded, one part is non-exclusive and one part is exclusive.

OV Denmark currently has a non-exclusive license to use DRP™ for evaluation of in-vitro data of drug candidates. The non-exclusive license is valid until September 2018 but will be extended for an additional three years provided that certain conditions related to investments by OV are met.

OV Denmark has an exclusive license to use DRP™ to develop, produce, register, market, distribute and sell drug candidates or products within the area of "drugs for treatment of cancer diseases which drugs are previously or currently tested or used in patients".

OV Denmark and MPI have on 30 December 2016 entered into an amendment agreement to the license agreement (the "Exclusivity Amendment Agreement") pursuant to which MPI will undertake for a period of three years from the date of the Exclusivity Amendment Agreement to not grant any right or license to a third party to use DRP™ for any purpose without prior consent from OV Denmark. With this agreement, OV Denmark will hence have exclusive rights also to the part of the license from MPI which currently is non-exclusive and can use these rights in OV Denmark and in spinouts in special purpose vehicles like 2X Oncology, Inc. and OV-SPV2 ApS. For the avoidance of doubt, MPI will retain rights to develop the technology in Personalized Medicine for individual patients and furthermore the amendment will not impact rights already granted by MPI to third parties.

The grant of an exclusive right will enable OV Denmark to diligently develop drugs with the technology and secure alignment between OV and MPI. When OV Denmark creates a proof of concept there will likely be interest in the market to develop similar products with the technology – the exclusivity ensures that OV Denmark can keep competitors out of the market and in-license additional products in the exclusivity period.

The deal will also enable further value creation through more shots on goal in OV Denmark and in special purpose vehicles like 2X Oncology, Inc. and OV-SPV2 ApS that will develop anticancer products for women's cancers and has already attracted investors for the seed rounds of funding.

As consideration for the extended exclusive license, the Exclusivity Amendment Agreement stipulates that MPI shall, without further separate consideration, receive in the aggregate 302,243 warrants (Sw. teckningsoptioner) entitling to subscription of shares in OV. The warrants will entitle MPI to subscription of one share per warrant at a subscription price of SEK 10. The warrants will be exercisable until 31 December 2019. Upon full exercise of the warrants, the total dilution will be approximately 2.9 per cent (calculated based on the 10,074,794 shares outstanding in OV today but excluding the shares issuable upon exercise of the warrants currently outstanding in OV). The detailed terms for the warrants are set out in item 3 below.

The board of directors of OV has estimated that the market value (calculated in accordance with the Black Scholes formula and adjusted for dilution) of the warrants to be issued to MPI is in total approximately SEK 12 million.

The entry into force of the Exclusivity Amendment Agreement is conditional upon that the Exclusivity Amendment Agreement and the issue of the warrants are approved by the shareholders' meeting in OV.

The board of directors in OV has obtained a so called "Fairness Opinion" from KPMG that supports that the agreed consideration for the Exclusivity Amendment Agreement is fair from a financial perspective to OV's shareholders.

MPI is currently holding 10.6 per cent of the shares in OV. Based on this, the board of directors of OV has made the assessment that the Exclusivity Amendment Agreement pursuant to which OV Denmark will acquire extended exclusive license rights in exchange for MPI receiving warrants without separate consideration constitutes such transactions that, in accordance with the statement from the Swedish Securities Council in AMN 2012:05, requires approval from the shareholders' meeting in OV. As noted above, the entry into force of the Exclusivity Amendment Agreement is hence conditional upon that the Amendment Agreement is approved by the shareholders' meeting in OV.

In accordance with AMN 2012:05, the shares held by MPI shall not be considered at the shareholders' meeting's resolution to approve the transaction and issue the warrants.

Based on the above, the board of directors proposes that the extraordinary shareholders' meeting on 17 January 2017 resolves to approve that OV Denmark acquires extended license rights from MPI as set out above. The board of directors furthermore proposes that the extraordinary shareholders' meeting resolves to issue not more than 302,243 warrants on the following terms and conditions:

1. The warrants shall be issued without consideration. The reason for that the warrants are issued without consideration is that the warrants are issued as part of the Exclusivity Amendment Agreement.
2. With deviation from the shareholders' preferential right, the warrants may only be subscribed for by MPI. The reason for the deviation from the shareholders' preferential right is that the warrants are issued as part of the Exclusivity Amendment Agreement.
3. Over subscription cannot occur.
4. Subscription shall be made on a separate subscription list no later than 1 week following the issue resolution. The board of directors shall be entitled to postpone the last day for subscription.
5. Each warrant shall entitle to subscription of a new share against payment of a cash subscription price of SEK 10 per share during the period from and including registration with the Swedish Companies Registration Office to and including 31 December 2019. Upon full exercise of all warrants, the share capital will increase with SEK 42,314.02.
6. The subscription price and the number of shares that each warrant confer right to subscribe for should be subject to customary recalculation formulas in connection with for example share splits, consolidation of share and rights issues. The shares issued upon exercise shall confer right to dividends from and including the first record date for dividends that falls after the time when the share has been inserted as an interim share in the company's share ledger.



7. The chairman of the board of directors shall be authorized to make such minor changes to the resolution as might be necessary in connection with registration with the Swedish Companies Registration Office.

For a valid resolution, the proposal has to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the meeting.

#### **Miscellaneous**

The reports from the board of directors which also include the proposals from the board of directors in relation to items 6 – 8, the statements (fairness opinions) from KPMG which consider the fairness of the transactions for the company's shareholders from a financial point of view and documents pursuant to Chap. 14 Sec. 8 of the Swedish Companies Act in relation to the proposal for the issue of warrants in accordance with item 8 will be available at the company's offices, Venlighedsvej 1, DK-2970 Hørsholm, Denmark and on OV's website ([www.oncologyventure.com](http://www.oncologyventure.com)) no later than two weeks prior to the shareholders' meeting. The documents will upon request be sent to shareholders who state their address.

Malmö in December 2016  
**Oncology Venture Sweden AB (publ)**  
THE BOARD OF DIRECTORS

#### **For further information, please contact**

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*This information is information that Oncology Venture Sweden 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, on December 30 2016.*

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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 a license to use Drug Response Prediction – DRP™ – 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 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, Irofulven developed from a fungus for prostate cancer and APO010 – an immuno-oncology product for Multiple Myeloma.*