Press release issued by Oncology Venture Sweden AB
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Press release

EUROSTARS funding of app. 1.9 mEUR (18 mSEK) granted to OV's LiPlaCis Phase 2 project

Hoersholm, Denmark, January 19th, 2017 – Oncology Venture Sweden AB (OV.ST) and its strategic partner Smerud Medical Research International AS (SMERUD), today announced that the LiPlaCis project was granted a total of approximately 963,000 EUR (9.1 mSEK) through the EUROSTARS program for the further development of Oncology Venture's lead product LiPlaCis®. The grant will come as a joint contribution from the Norwegian Research Council (663,000 EUR /6,26 mSEK) and Innovation Fund Denmark (300,000 EUR or 2,87 mSEK), both being the maximum amount possible from either of the funding bodies. In addition, this public grant releases private investment funds of about 950,000 EUR (9.0 mSEK) from OV's partner SMERUD. All together the support to the LiPlaCis program adds up to 1,9 mEUR (18 mSEK). LiPlaCis is in Phase 2 for the treatment of metastatic Breast Cancer in Denmark and four Phase 2's for Head & Neck, esophagus, skin and prostate cancers will be conducted by OV's partner Cadila Pharmaceuticals who will also later run a Phase 3 in metastatic Breast Cancer. The grant will further cover costs related to the scale up production of LiPlaCis®.

LiPlaCis is an intelligent liposomal formulation of cisplatin that has already in phase 1 demonstrated effect in several cancer types. More than 1100 patients have been screened in collaboration with Danish breast cancer doctors before entering the trial for high likelihood of effect of the drug. The screening is done using Oncology Venture's Drug Response Predictor (DRP™) – a unique tool in-licensed from Medical Prognosis Institute (MPI) based on Big Data from a multi gene signature identified in the patients' biopsies.

SMERUD is Oncology Venture's co-development partner, which in addition to co-funding the trial will also use its contract research division to manage the clinical trial.

"*We appreciate this endorsement from EUROSTARS and this non-dilutive grant is very valuable to the LiPlaCis project",* says Peter Buhl Jensen, M.D., CEO of Oncology Venture. *"We believe that LiPlaCis, which has already demonstrated early signs of efficacy, can become an important treatment option for cancer patients. With the co-development of LiPlaCis and its Drug Response Predictor - DRP - we believe that we can develop a highly effective and competitive drug"* Buhl Jensen further commented.

SMERUD's founder and CEO, Knut Smerud, commented that *"We are obviously very proud and pleased to see that our EUROSTARS proposal was ranked well by an independent board of peer reviewers. This is the 10th time that SMERUD has secured a EUROSTARS proposal above the quality rank levels required for funding, and this proposal has indeed been the one with the highest scores among our previous applications. Thus, we see that experience matters. Again, we wish to emphasise that the support from the Norwegian Research Council's Eurostars office has been tremendous throughout the entire process. SMERUD is a long-standing supporter of EUROSTARS as an unrivalled and excellent grant system for smaller, R&D-intensive companies in Europe. This grant further cements our role as a drug development company, expanding our business from almost 25 years of history as a conventional CRO. Working with the skilled and seasoned oncology experts within Oncology Venture has been mutually fruitful from the very beginning, and we look forward to continue to invest into our strong Danish team, helping to advance LiPlaCis into a full clinical development program.*

About LiPlaCis®

Cisplatin is one of the most widely used drugs in the treatment of cancer due to its documented efficacy in a number of tumor types. Cisplatin is used in the treatment of large indications as lung cancer (Europe+US ≈ 673,000 new cases annually), head and neck cancer (500,000 cases annually worldwide) bladder cancer (EU+US ≈ 170,000 annually) and ovarian cancer (EU+US ≈ 71,000 annually). The liposomal formulation from LiPlasome is an answer to a well-established need for improving cisplatin therapy and improving the formulation of the drug, so that a more selective up-take of cisplatin administered takes place at the tumor sites. The liposomes are

designed to trigger the release of an encapsulated drug specifically in the tumor tissue. An enzyme especially present on tumors called secretory phospholipase A2 (sPLA2), is utilised to break down the LiPlaCis® once it has accumulated in the cancer tissue. The lipid composition of the LiPlasomes is tailored to be specifically sensitive to degradation by the sPLA2 enzyme and thereby for release of the encapsulated drug.

About the Drug Response Predictor - DRP™ screening tool

Oncology Venture uses the MPI multi gene DRP™ to select those patients that by the genetic signature in their cancer is found to have a high likelihood of response to the drug. The goal is to develop the drug for the right patients and by screening patients before treatment the response rate can be significantly increased.
This DRP™ method builds on the comparison of sensitive vs. resistant human cancer cell lines including genomic information from cell lines combined with clinical tumor biology and clinical correlates in a systems biology network. The DRP™ is based on messenger RNA from the patients biopsies.
The DRP™ platform i.e. the DRP™ tool can be used in all cancer types, and is patented for more than 70 anti-cancer drugs in the US. The PRP™ is used by MPI for Personalized Medicine. The DRP™ is used in Oncology Venture for drug development.

About SMERUD

Smerud Medical Research International AS (SMERUD) is a European drug development company and contract research organization (CRO) with headquarters in Oslo, Norway. The core competence is strategic drug development including regulatory affairs planning related to clinical development, and specifically to proof-of-concept trials (phase IIa). Functional services are primarily focused on clinical project management and monitoring of phase II-III studies, regulatory affairs, data management, statistics, medical writing and general drug development consulting. In recent years, SMERUD has achieved an unrivalled position in Europe as the CRO for obtaining public grants for clinical trials. The consistent and huge investment into internal R&D projects has enabled SMERUD to act both as a successful grant writer and as a risk-sharing co-development partner for many of their clients. The project-orientated co-investment service has been particularly welcomed by smaller, cash-strapped biotech companies – seeing this option as an excellent source of non-dilutive funding. SMERUD has – together with its associated venture firm Scandinavian Biotech Venture AS – become one of the largest private biotech investors in the Nordic countries. SMERUD also has a full-service in-house clinical Contract Research Organisation division operating throughout Europe with head office in Norway and subsidiary offices in Denmark, Finland, Sweden, United Kingdom, Germany, Austria, Poland and Russia. Another major event will happen later in 2017, when SMERUD's first North American office will be opened in Boston, US. The CRO division has been involved in more than 1000 clinical trials in a wide variety of indications, countries and study phases.

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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 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 an oral phase 2 Tyrosine Kinase inhibitor.