



# RhoVac AB conducts conditional reverse takeover of Chosa ApS

RhoVac AB (“RhoVac” or the “Company”) has entered into an agreement to acquire all shares in the Danish privately owned oncology company Chosa ApS (“Chosa”) for a purchase price of approximately SEK 46 million to be paid with newly issued shares in RhoVac. The acquisition is conditional on i.a. approval from the extraordinary general meeting in the Company to be held on 11 January 2023 (the “EGM”). Notice to the EGM will be announced in a separate press release.

## Summary of the Transaction

- RhoVac has today entered into an agreement with the shareholders of Chosa (the “Sellers”) regarding the acquisition of all shares in Chosa for a purchase price of SEK 45,913,914 (the “Transaction”). Payment is made through a promissory note which is fully offset against newly issued shares in RhoVac.
- The agreement is conditional, among other things, on the EGM approving the Transaction as well as resolving on a new issue of shares to the Sellers, whereby payment shall be made through set-off.
- M2 Asset Management AB, the largest shareholder in RhoVac holding approximately 20.4 percent of the total number of shares and votes in RhoVac, has undertaken to vote in favor of the Transaction and the related resolutions at the EGM.
- The Transaction allows RhoVac’s shareholders to, at an attractive valuation, continue participating in developing novel treatments against cancer, through Chosa.
- The commercial result of the Transaction is that RhoVac changes its name to Chosa Oncology AB (publ) and continues Chosa’s business as a listed company on Spotlight Stock Market (“Spotlight”), after the approval process with Spotlight has been completed.

*Lars Hedbys, CEO of RhoVac says:* "We are delighted to be able to propose this reversed takeover to our shareholders. In the short term, our shareholders will increase the value of their shares more than two times compared to the estimated surplus following a liquidation. In the longer perspective, the reverse takeover allows our shareholders to, at an attractive valuation, continue participating in developing novel treatments against cancer, in the hands of an experienced team. In this case, the technology has already proven itself in a recently finalized clinical phase IIb study which has reduced the inherent risk in the drug development and increased the value of the project."

*Peter Buhl Jensen, CEO of Chosa says:* "We are excited about the opportunity to build further value to the LiPlaCis® program. Together with the LiPlaCis® Drug Response Prediction (“DRP”) test of the individual patient this personalized treatment opportunity has demonstrated valuable data in a phase IIb study of late-stage metastatic breast cancer. In this patient population representing 20 percent of breast cancer patients, there are very limited effective treatments, so it represents a population with a high medical need."

## Chosa in brief

Chosa is a Denmark-based biotechnology company that is led by the previous management team of Oncology Venture ApS (now Allarity Therapeutics, Inc.), a proven international team with veteran specialists in precision oncology. The Chosa team recently licensed worldwide rights to LiPlaCis® and its DRP® companion diagnostic. LiPlaCis® and its DRP® was the lead product when the Chosa team was heading Oncology Venture ApS.

Cancer treatments have low success rates. Chosa aims to increase the cure rate by using a better version of an old very effective drug and combining it with precision use. Chosa’s DRP® companion diagnostic test allows the selection of the patients that will benefit from LiPlaCis®, which is a formulation of cisplatin in a liposome, intelligently designed to release its content directly to the tumor site. It appears that LiPlaCis® may have lower toxicity than cisplatin and apparently may also have better efficacy. However, response rates for new cancer drugs are typically as low as 25 percent and similarly low for cisplatin which is one of the most effective cancer drugs and in fact used in 16 different cancers. Predicting who will benefit from LiPlaCis® is therefore an enormous

competitive advantage. The LiPlaCis® DRP® has shown an excellent ability to identify which lung cancer patients will benefit from cisplatin and the predictive power of the LiPlaCis® DRP® has also been demonstrated in breast cancer with phase 2b data finalized (publication in preparation). Chosa aims to only treat the benefitting 20 percent of breast cancer patients and the DRP® allows Chosa to identify the beneficiaries.

Chosa has entered into conditional investment agreements pursuant to which investors, immediately prior to the completion of the Transaction, will invest an aggregate amount of approximately DKK 3.3 million in Chosa. The shares issued in this capital increase in Chosa will be included in the Transaction. With this cash injection, it is the expectation that the combined entity will have sufficient resources to fund its operations into Q2 2024.

Please visit the Chosa website [www.chosa.bio](http://www.chosa.bio).

### **RhoVac's acquisition of Chosa**

The purchase price for all shares in Chosa amounts to SEK 45,913,914 and will be paid through a promissory note which will immediately be set-off against 43,727,531 newly issued shares in RhoVac at a subscription price of SEK 1.05 per share (the "Set-off Issue"). The subscription price of SEK 1.05 per share corresponds to a premium of approximately 75 percent based on the volume-weighted average price of the Company's shares during 30 trading days before 5 December 2022. Hence, in the Transaction, RhoVac has been valued at approximately SEK 20 million.

Through the Set-off Issue, the number of shares in RhoVac will increase with 43,727,531 from 19,047,102 to 62,774,633 and the share capital will increase with SEK 7,870,955.58, from SEK 3,428,478.36 to SEK 11,299,433.94. Following the Transaction, Sellers will jointly hold approximately 69.7 percent of the shares and votes in the Company, and the current shareholders in RhoVac will thus jointly hold approximately 30.3 percent. The board of directors considers that the applied valuation and the subscription price resulting from the valuation are market-based and fair based on negotiations with the Sellers. In addition, the board of directors has obtained a so called "fairness opinion" from Västra Hamnen Corporate Finance AB that supports that the agreed exchange ratio in the Transaction is fair from a financial perspective for the shareholders of RhoVac.

In addition to approval by the EGM, closing of the Transaction is also conditional upon that the investment in Chosa, as outlined above, is completed.

### **EGM**

RhoVac's acquisition of Chosa is subject to approval by the EGM. The proposed matters for the EGM to resolve on includes approval of the Transaction, changes in the Company's articles of association to enable the Set-off Issue as well as change of the Company's name, resolution on the Set-off Issue, election of a new board of directors, etc. M2 Asset Management AB, the largest shareholder in RhoVac holding approximately 20.4 percent of the total number of shares and votes in RhoVac, has undertaken to vote in favor of the Transaction and the related resolutions at the EGM. The notice to the EGM will be issued through a separate press release. Ahead of the EGM, RhoVac intends to publish a teaser describing Chosa and the combined entity.

### **Lock-up undertakings**

In connection with the Transaction, all Sellers as well as M2 Asset Management AB, have, subject to customary exceptions, undertaken not to sell shares in RhoVac for a period of 6 months following the closing of the Transaction.

### **Application for continued listing on Spotlight**

The Transaction will entail a significant change in RhoVac's operations and as a result, a new listing process is required after the Transaction, meaning that Spotlight must approve RhoVac for continued listing. Due to this, and if Spotlight approves the listing, an information memorandum will be published. It is expected that trading in RhoVac's shares will not be affected during the approval process, except that RhoVac will remain on the observation list.

### **Preliminary time plan**

11 January 2023	EGM.
Second half of January 2023	Closing of the Transaction.
March 2023	Approval from Spotlight for continued listing on Spotlight.

### **Convertibles in RhoVac**

The Transaction will not impact RhoVac's obligations under the existing convertible loan raised in the Spring of 2022. As earlier communicated, the plan is to repay the remaining amount outstanding under the convertible loan in early 2023.

This disclosure contains information that RhoVac is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 05-12-2022 08:55 CET.

**For further information, please contact**

Lars Hedbys – CEO RhoVac AB

Telephone: +46 76 104 34 67

Email: [info@rhovac.com](mailto:info@rhovac.com)

**On RhoVac AB**

*RhoVac was established as a private company in Denmark in 2007. Under this company, the basic development steps for the drug candidate RV001 were undertaken. In 2015 the Swedish RhoVac AB was formed, which is now headquartered and in 2016 the company was listed on the then Aktietorget in Sweden (now Spotlight Stock Market). RhoVac has passed the early stages of development. In 2019, patient recruitment began for a larger clinical phase IIb study that included more than 180 patients with prostate cancer. The Top Line results were presented in May 2022. Further data are currently being evaluated. RhoVac is listed on the Spotlight Stockmarket. The share is traded under the ticker RHOVAC. More information is available at [www.rhovac.com](http://www.rhovac.com).*

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