The board of Scandion Oncology proposes a rights issue to increase the commercial potential for its drug candidates and to expand its drug pipeline

Scandion Oncology A/S ("Scandion Oncology" or "the Company") today announces that the Board of Directors has proposed to an Extraordinary General Meeting to conduct an issue of units that can provide a maximum of approximately SEK 41.7 million to the Company before issue costs. The capitalization consists of shares amounting to a maximum of approximately SEK 29.3 million and consideration free warrants of series TO 1 that can additionally provide the Company with a maximum of approximately SEK 12.4 million, provided the warrants are fully exercised. The public is also invited to subscribe for units in the rights issue. Scandion Oncology has in advance received pre-subscriptions and "top-down" guarantee commitments from institutional and private investors totaling approximately 82 percent of the issue volume. Notice of Extraordinary General Meeting will be published shortly.

Motivation for the rights issue

To increase the commercial potential of the drug candidate SCO-101, Scandion Oncology's new strategy is to run two clinical Phase II studies in metastatic, drug-resistant cancer patients. By initiating two Phase II clinical studies in parallel, i.e. colorectal and breast cancer, and with two different types of chemotherapy the Company will mitigate the risk by pursuing different cancer indications and increase the commercial value for SCO-101.

Clinical Phase II study with SCO-101 – Colorectal cancer

The proceeds from the IPO in 2018 will, as described in connection to the IPO, finance initiation of the first part (12 patients) of the colorectal cancer phase II study. As previously announced in relation to the IPO, Scandion Oncology now conducts an issue of units in order to secure the finances for the remaining part of the colorectal cancer study. In the clinical study, SCO-101 will be given as a daily oral treatment in combination with the chemotherapeutic drugs, irinotecan and 5-Fluouracil. In the first part, Scandion Oncology will escalate the dose of SCO-101 in combination with standard dose of chemotherapy. The primary clinical end-points for this first part of the study is safety, toxicity and efficacy, and the results are expected to be announced already in Q2 2020. The second part of the study will have efficacy as main end-point and the patients will be treated with the optimal doses of SCO-101 and chemotherapy established in the first part of the phase II study. By giving SCO-101 as a complementary additive to standard cancer treatment to patients who have developed drug-resistant cancer disease, Scandion Oncology expects that a number of the patients will experience regression or stabilization of their disease. Since none of the enrolled patients would be expected to gain any benefit if only receiving continued treatment with the drugs they have proven to be resistant to, the Company only needs very few responding patients in order to obtain the needed Proof of Concept for addition of SCO-101 to chemotherapy. The reasons for starting with a colorectal cancer study are based on the advice Scandion Oncology received from the Danish Medicines Agency.

Clinical Phase II study with SCO-101 – Breast cancer

Scandion Oncology's new and extended objective is to run a second clinical Phase II study with SCO-101 that will be initiated in patients with metastatic drug-resistant breast cancer. The study will follow the same design as described above. In this second clinical Phase II study, SCO-101 will be given in combination with the cancer chemotherapeutic drug paclitaxel, which is considered as the most active drug in breast cancer treatment. The first breast cancer patient is expected to be treated with SCO-101 and paclitaxel in Q2, 2020 and results will be available in Q2, 2021.

A third Clinical Phase II study with SCO-101 – Anti-estrogen resistant breast cancer

In addition to the two Phase II clinical studies described above, Scandion Oncology plans to initiate a third clinical Phase II study in metastatic breast cancer patients with fulvestrant-resistant disease. Fulvestrant is an anti-estrogen that is used to treat estrogen receptor positive breast cancer. The clinical design will be very similar to the above-described designs. Scandion Oncology will apply for EU grants to cover the expenses of this study. Scandion Oncology will only proceed with the third clinical Phase II study if the Company receives the needed EU grants.

Accelerate preclinical development for SCO-201 and SCO-301

Scandion Oncology will further test SCO-201 and SCO-301 for their efficacy and mechanisms of action in blocking drug resistance in cancer. These studies will include in vitro grown cancer cells as well as patient derived human cancers grown in mice. In a collaboration with University of Copenhagen, Scandion Oncology will develop new analogues of SCO-301. The drug candidates SCO-201 and SCO-301 complement Scandion Oncology's drug portfolio and the current drug pipeline is expected to cover approximately 60% of the anti-cancer drug resistance market.

Further develop the commercial aspects for antibiotic resistance

Scandion Oncology recently announced that some of the Company's compounds can kill antibiotic resistant bacteria through a novel mechanism of action and that this discovery may pave the way for future treatment of antibiotic resistance. To assess the full financial potential of this discovery, Scandion Oncology will perform a small number of preclinical in vitro studies and animal studies, before deciding the commercial strategy for these drugs.

Develop predictive biomarkers

Predictive biomarkers are cancer cell characteristics that can foretell whether the individual patient will benefit from a particular treatment. Scandion Oncology is in the process of developing predictive biomarkers for SCO-101 benefit. With such biomarkers in hand, the Company can turn SCO-101 into a personalized medicine approach with significant implications for drug efficacy, development costs and future value of SCO-101. However, analytical and clinical validation studies will be needed before these biomarkers can be used to select drug-resistant cancer patients for our clinical trials with SCO-101.

CEO of Scandion Oncology, Nils Brünner:

"Since our IPO in 2018, we have been able to scale up and accelerate our business and drug development efforts and we have reached all the milestones promised at the IPO. Scandion Oncology has thus delivered according to plans and in addition, we found an interesting and potentially valuable possibility in antibiotic resistance. We have experienced increased interest from institutional and professional investors, and we have therefore chosen an offensive rights issue to enable our existing shareholders to take part in this exciting journey. To further expand the potential for SCO-101, we are pleased to

announce that we plan to conduct an additional clinical phase II study in metastatic drug-resistant cancer patients with the possibility of doing a third phase II study pending on the EU funding. By implementing two studies in two different cancer indications, breast cancer and colorectal cancer, we believe our rate of success in the clinical testing will increase and correspondingly also the value for Scandion Oncology. Based on our promising pre-clinical data in both indications, where SCO-101 blocks resistance to certain standard anti-cancer treatments, we find this new strategy with an additional clinical study highly appropriate for Scandion Oncology. I want to highlight that our first clinical Phase II study in colorectal cancer will be initiated in 2019 with first efficacy data results already in Q2 2020. If we reach the results, we believe that we can achieve, thanks to extensive preparatory work, Scandion Oncology and its shareholders are facing a very interesting future.

CEO of Scandion Oncology, Nils Brünner continues:

In addition to SCO-101, we are continuing the preclinical development of SCO-201, which will be developed to target drug resistance in cancer forms being different from those treated with SCO-101. Furthermore, we have continued our drug screening and found a third drug, SCO-301 within drug resistance. We now have three drugs with significant potential within treatment of cancer patients with drug resistant disease, and with the addition of our discovery within the area of antibiotic resistance – several exciting opportunities are arising for Scandion Oncology. In summary, I see the upcoming period as extremely exciting and important for Scandion Oncology. We will have conclusive data from our clinical trials, and we will know how the antibiotic resistance program will develop. Moreover, we will position SCO-201 and SCO-301 in the field of cancer treatment and will be ready to initiate clinical trials with these drugs and their analogs.

Summary objectives for Scandion Oncology

2019

- Complete production and formulation of SCO-101.
- Initiate first part of clinical Phase II trial in 12 metastatic and drug resistant colorectal cancer patients with SCO-101 in combination with the cancer drugs irinotecan and 5-Flurouracil.

2020

- Complete recruitment for the Phase II clinical trial (Proof of Concept) in colorectal cancer with SCO-101 in combination with the cancer drugs irinotecan and 5-Flurouracil by Q4 2020.
- Conduct first part of Phase II clinical trial with SCO-101 in patients with metastatic breast cancer and paclitaxel-resistant disease.
- Out-license or sell the antibiotic resistance part (SOM-001).

2021-2022

- Finalize clinical phase II breast cancer study with SCO-101 and paclitaxel.
- Scandion Oncology's goal is to search for partnerships with a larger company for each of the three products (SCO-101, SCO-201 and SCO-301) and then together apply for FDA and EMA approval followed by an introduction to the market. However, for SCO-101, the goal is to find a partner / licensee shortly after completing the first Phase II clinical trials.

Summary of the offering

- **Subscription period:** 20 June 2019 – 9 July 2019.
- **Record date and preferential rights:** The record date is on the 14th of June 2019. Shareholders of Scandion Oncology at the record date have preferential rights in the unit issue. Last day of trading in Scandion Oncology's share including the right to receive unit rights is on 12th of June 2019. First day of trading in Scandion Oncology's share excluding the right to receive unit rights is on 13th of June 2019. Each currently held share qualifies for one (1) unit right. Five (5) unit rights entitles the subscriber to subscribe for one (1) unit. One (1) unit consists of three (3) new shares and one (1) consideration free warrants of series TO 1.
- **Issue price:** 12.30 SEK per unit, corresponding to 4.10 SEK per share. Warrants of series TO 1 are received free of consideration.
- **Volume of issuance:** The offering consists of up to 7,144,590 shares and a total of up to 2,381,530 warrants of series TO 1, corresponding to payment of an aggregate cash subscription amount of approximately SEK 29.3 million (for subscription of the shares) and SEK 12.4 million respectively (for subscription of shares based on exercise of warrants). If the unit issue is fully subscribed and all the warrants of series TO 1 are exercised, Scandion Oncology is provided with a total of approximately SEK 41.7 million before issuing costs.
- **Subscription commitments and guarantee commitments:** Scandion Oncology has prior to the planned unit issue in writing agreed on subscription commitments of approximately SEK 16.9 million and guarantee commitments of approximately SEK 7.2 million. Thus, in total the Company has agreed on approximately SEK 24.1 million, corresponding to approximately 82 % of the issue volume, through subscription commitments and guarantee commitments. The guarantee commitments will be from the top down, meaning e.g. if the rights issue is subscribed for approximately SEK 22,1 million, the guarantee commitment is executed for the remaining approximately SEK 7,2 million.
- **Number of shares before the unit issue:** 11,907,651 shares.
- **Valuation (pre-money):** Approximately SEK 48.8 million.
- **Trading in unit rights:** Trading in unit rights will be made at Spotlight Stock Market during the time period 20th of June 2019 – 5th of July 2019.
- **Trading in BTU:** Trading in paid subscribed unit ("BTU") will take place on Spotlight Stock Market from 20th of June 2019 until the Danish Business Agency (Erhvervsstyrelsen) has registered the unit issue. This registration is expected to take place in the middle of July 2019.
- **Marketplace:** The share of Scandion Oncology is listed at Spotlight Stock Market.
- **Cross border-transfer of securities:** From 3rd of June 2019 – 18th of June 2019, cross border-transfer of shares, i.e. transfers of shares from VP-Securities to Euroclear or vice versa, in Scandion Oncology, are stopped. Unit rights and paid and subscribed units ("BTU") in the Company will not be subject to cross border-transfer between VP-Securities and Euroclear during this period.

Summary of the consideration free warrants

- **Exercise period:** 10 September 2020 – 1 October 2020.
- **Exercise price:** Each warrant entitles the holder the right to subscribe for one (1) new share in Scandion Oncology at a subscription price of SEK 5.20 per share.
- **Issue volume:** If the initial issue of units is fully subscribed, a total of 2 381 530 warrants of series TO 1 will be issued. The warrants can provide the Company a total of SEK 12 383 956,00 if all warrants are exercised.
- **Valuation (pre-money):** Approximately SEK 99 million.

Financial advisor, issuing agent and legal advisor

Sedermera Fondkommission is the financial advisor and issuing agent of Scandion Oncology in connection with the rights issue. Markets & Corporate Law

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This information is information that Scandion Oncology A/S 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 May 27th, 2019.

Scandion Oncology A/S is a biotechnology company founded in 2017 for the purpose of addressing and tackling one of the greatest challenges in modern oncology – the effective treatment of cancer which contains drug resistant cell clones or which has developed resistance to a previously prescribed cancer-fighting drug. In preclinical in vitro-studies SCO-101 restores chemotherapy sensitivity in resistant cancer cells. Moreover, in animal studies, the company's leading candidate drug, SCO-101, significantly enhances the efficacy of certain standard cancer treatments when given in combination. Scandion Oncology is now ready to initiate clinical phase II trials with its lead compound, SCO-101 in patients with drug resistant cancer. Scandion Oncology was listed on Spotlight Stock Market, Sweden in November 2018.