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Press release March 20, 2017

## **Listing of Isofol Medical on Nasdaq First North Premier and publication of prospectus**

**Isofol Medical AB (publ) ("Isofol" or the "Company"), a clinical stage pharmaceutical company, announced on March 13, 2017, its intention launch an initial public offering and list its shares on Nasdaq First North Premier ("the Offering"). Today, the Company publishes the price and prospectus for the Offering.**

### **The Offering in brief**

- The Offering comprises 14,828,000 newly issued shares, corresponding to approximately 46.9 percent of the outstanding shares and votes after the Offering.
- In addition, in order to cover any overallotment, the Company has committed to, upon Pareto Securities' request, issue a maximum of an additional 1,482,800 new shares in the Company, corresponding to a maximum of 10 percent of the shares included in the Offering (the "**Overallotment Option**").
- If the Overallotment Option is fully exercised, the Offering will comprise a maximum of 16,310,800 shares, corresponding to approximately 49.3 percent of the total number of shares in the Company after the Offering.
- The Offering will be conducted at a fixed price of SEK 29 per share, corresponding to a total value of the Company's shares of SEK 487 million, before the Offering.
- The new share issue that is conducted as a part of the Offering is expected to render proceeds of SEK 430–473 million to the Company before transaction costs, depending on the extent of the exercise of the Overallotment Option.
- In total, the Company has received subscription commitments of SEK 235 million or 55 percent of the Offering excluding the Over-allotment Option.
  - A number of Swedish and international institutions have committed to, under certain conditions and at the same price as other investors, subscribe for a total of circa SEK 215 million or 50 percent of the Offering excluding the Over-allotment Option. These subscription commitments consist of, among others, the Cornerstone Investors: Handelsbanken Fonder (SEK 50 million) and AFA Försäkring (SEK 20 million).
  - In addition, a number of existing shareholders have subscribed for shares in the Offering corresponding to circa SEK 20 million.
- Isofol has applied for listing of the Company's shares on Nasdaq First North Premier in Stockholm. Expected first day of trading of Isofol's shares is April 4, 2017, under the ticker "ISOFOL" and expected settlement day is April 6, 2017.
- A prospectus with full terms and conditions is published today March 20, 2017, on Isofol's website and on Pareto Securities' website.
- Pareto Securities is acting as Global Coordinator and Sole Bookrunner, Avanza and Nordnet are Selling Agents and Vinge is the legal advisor in connection with the Offering.

### **Background to the Offering**

The primary purpose of the Offering is to fund the market registration study for Isofol's drug candidate Modufolin<sup>®</sup>, which study will be conducted in first line treatment of patients with metastatic colorectal cancer. Given a successful study, Isofol expects to receive regulatory approval for Modufolin<sup>®</sup> within this indication. In addition, as part of Isofol's development plan for Modufolin<sup>®</sup>, the Company is planning to conduct studies

within rescue therapy following high-dose methotrexate treatment of osteosarcoma patients as well as other supporting studies aiming at benefitting Modufolin's® route to market.

Furthermore, the Board and management of Isofol believe that the Offering is a logical and important next step in the Company's development and will further increase awareness among current and potential partners, customers and key opinion leaders within the pharmaceutical industry. The Offering will also expand Isofol's shareholder base and improve the Company's access to Swedish and international capital markets, which is expected to support the Company's continued development. For these reasons, the Board has applied for a listing on Nasdaq First North Premier.

**Anders Rabbe, CEO, comments:**

"We have had a good journey and we are now very close to the goal of being able to offer hundreds of thousands of cancer patients a significantly improved outlook. There has been a large interest among institutional investors, with investors such as Handelsbanken Fonder and AFA Försäkring leading the pack and with several others behind them. We now face the pivotal clinical study aimed to get our drug Modufolin approved for treatment of colorectal cancer. We have regulatory support from both the EMA and FDA for our clinical development program and results from ongoing studies are very promising."

**Jan-Eric Österlund, Chairman of the Board, comments:**

"We are very proud that the current owners have had the ability and interest to finance the company all the way through development until the crucial final clinical study. However, in order to verify the effectiveness of Modufolin, we need additional resources and an IPO will give us this opportunity. A large proportion of patients still don't respond to the cancer treatment, and we hope to improve the lives of many of these with Modufolin. It is rare to encounter an opportunity that combines patient benefits with commercial opportunities as clearly as with Modufolin. I would therefore like to, on behalf of the company, welcome institutions and the general public to subscribe for shares in the IPO and take part in the company's future development."

**Prospectus and application form**

Prospectus and application form are published on Isofol's website [www.isofo.se/en/ipo](http://www.isofo.se/en/ipo) and on Pareto Securities' website [www.paretosec.com/corp/isofoomedical](http://www.paretosec.com/corp/isofoomedical). Application can also be made through Avanza's internet service [www.avanza.se](http://www.avanza.se) and Nordnet's internet service [www.nordnet.se](http://www.nordnet.se).

**Preliminary timetable**

Application period for the general public:	March 21, 2017–March 31, 2017
Application period for institutional investors:	March 21, 2017–April 3, 2017
Notification about allotment:	April 4, 2017
First day of trading on Nasdaq First North Premier:	April 4, 2017
Settlement day:	April 6, 2017

**Third most common cancer**

Colorectal cancer is the third most common cancer, affecting both men and women, and is the third leading cause of cancer-related death. Approximately 1.35 million people per year are diagnosed with the disease worldwide. In the US, Western Europe and Japan, where an estimated 550,000 patients are diagnosed with colorectal cancer, about 365,000 patients annually receive a treatment regimen including 5-FU and the folate leucovorin or levoleucovorin, which Isofol is aiming to replace with Modufolin®.

**About Isofol Medical AB (publ)**

Isofol is a clinical stage oncology company developing Modufolin® as a first-line treatment of metastatic colorectal cancer and as a rescue drug after high-dose methotrexate treatment in osteosarcoma. Isofol aims to replace the existing folate-based compounds leucovorin and levoleucovorin, which today are considered the standard treatment within these indications. Through an exclusive license agreement, Isofol Medical holds all rights to commercialising Modufolin® globally for cancer treatment with access to the unique patented production process and the production capabilities of Merck KGaA, Darmstadt, Germany.

## About Modufolin®

Modufolin® (active ingredient [6R]-5,10-methylenetetrahydrofolate), is a novel folate-based compound developed to increase the efficacy and reduce the side effects of antimetabolites used in cancer treatment. It is the key active metabolite of the widely used folate-based drugs leucovorin and levoleucovorin, and therefore does not require metabolic activation. This makes Modufolin® suitable for all patients irrespective of their genetical capacity to activate folates, and it is currently being evaluated in two clinical Phase II studies.

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