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Immunicum AB and DCprime Combine Forces to Establish Leader in Cell-Based Cancer Immunotherapies

Press Release

18 November 2020

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- Synergistic combination of each company's unique approach and joint expertise in allogeneic dendritic cell biology --
- Consolidation of two technology platforms creates a rich pipeline in both solid and blood-borne tumors including two Phase II clinical candidates --
- Combination will support the creation of a fully integrated biopharmaceutical company --
- Following the closing of the transaction, DCprime's current majority shareholder, Van Herk Investments, a leading European life science investor, will hold approximately 43 percent of Immunicum --
- Van Herk Investments, together with Immunicum's largest shareholder, Fourth Swedish National Pension Fund (AP4), have expressed their support to the new, combined entity --
- Following an integration period, the combined management team will provide an overview of clinical and operational goals for the future --

Immunicum AB (publ) (IMMU.ST) announced today that it has entered into an agreement with Van Herk Investments B.V. to acquire all of the shares in DCprime B.V., a Dutch clinical stage company developing cancer relapse vaccines aimed to reduce tumor recurrence (the "Transaction"). Merging the complementary allogeneic dendritic cell biology approaches of both companies will enable Immunicum to further build and strengthen its position as a leader in cell-based cancer immunotherapies. Payment in the Transaction is effectuated through an issue in kind of 73,909,635 new shares in Immunicum representing 44 percent of the shares in Immunicum on a fully diluted basis. DCprime's current majority shareholder, Van Herk Investments B.V., a leading European life science investor, will thereby become a significant shareholder of the combined entity. The issuance of the shares is subject to approval by an Extraordinary General Meeting (EGM) to be held on December 18th, 2020.

Transaction Summary

The main objective of the combination is to establish a unified company built on decades of combined immuno-oncology and cell therapy expertise in the field of allogeneic dendritic cell biology. Moving forward, Immunicum's scientific focus will continue to be on triggering immune responses against established tumors via intratumoral immune priming and expanded to include the reduction of tumor recurrence via relapse vaccination. To date Immunicum has established clinical proof of concept for its lead program, ilixadencel, which has been tested in a range of solid tumors. DCprime has produced equally encouraging clinical results for blood-borne tumors including interim data from its ongoing Phase II study in Acute Myeloid Leukemia (AML), which will be provided in an oral presentation at the upcoming ASH 2020 conference. Together, the companies will advance a synergistic pipeline spanning both large and orphan indications in solid as well as blood-borne tumors, with two programs in Phase II clinical development and multiple near-term value inflection points as well as a portfolio of preclinical programs and research capabilities to fuel future pipeline expansion. Importantly, the combined process development and manufacturing expertise and specialized in-house research and development facilities will support the shared goal of becoming a leader in the development of cell-based immunotherapies.

The newly combined company will maintain its corporate headquarters in Stockholm, Sweden and consolidate research, process development and future manufacturing efforts at the location in Leiden, the Netherlands. Immunicum's shares will continue to trade on the Nasdaq Stockholm.

Following the closing of the transaction, Erik Manting, Ph.D., currently CEO of DCprime, will join Immunicum's leadership team as Chief Business Officer and deputy CEO. Jeroen Rovers, MD, Ph.D., currently Chief Medical Officer at DCprime, will have the role of the Managing Director of DCprime in the combination. Erik Manting brings several years of research experience in immunology as well as 15 years in commercial and management roles in banking. Jeroen Rovers brings 15 years of industry experience in a variety of medical roles, including CMO at Kiadis Pharma.

In addition, Immunicum will call for an EGM in order for the shareholders to resolve upon the proposed elections of Andrea van Elsas, Ph.D. and Dharminder Chahal to the Board of Directors of Immunicum. Andrea van Elsas is currently a venture partner at Third Rock Ventures, and his scientific career includes leading the anti-PD1 program that became leading immunotherapy, pembrolizumab (Keytruda®). Dharminder Chahal is CEO and co-founder of an oncology diagnostics company, SkylineDx, and investment manager to Van Herk. Van Herk is a leading European investor in life science having made a number of successful investments including Zealand Pharma, Ablynx, Crucell and Galapagos. Van Herk is also the largest shareholder in Swedish listed biotech company, BioInvent, where Dharminder Chahal serves as a board member.

By way of the Transaction, Immunicum will acquire all outstanding shares in DCprime. Payment in the Transaction is effectuated through an issue in kind of 73,909,635 new shares in Immunicum to Van Herk. The share purchase agreement has been entered into with Van Herk Investment B.V. and has been adhered to by Van Herk Royalty B.V., which is a company within the Van Herk Group and the current shareholder of the shares in DCprime. Before closing the shares will be transferred to Van Herk Investments B.V. Further, prior to the closing of the Transaction, Van Herk will acquire the minority shareholders' shares in DCprime and such minority shareholders will consequently partly be paid in cash and partly in Immunicum shares. As a result of the Transaction, Van Herk will be the largest shareholder in Immunicum, holding approximately 43 percent of the total outstanding shares after the Transaction. Customary lock-up provisions covering a period of twelve months have been put in place between Immunicum, Van Herk and DCprime minority shareholders receiving issued shares.

Van Herk Investments, together with Immunicum's largest shareholder, Fourth Swedish National Pension Fund (AP4), have expressed their support to the new, combined entity. In addition, Van Herk Investments, Immunicum's largest shareholder following the Transaction, intends to invest up to SEK 82.5 million in the company.

Closing of the Transaction is conditional upon approval of issuance of the shares by the EGM, with a two-thirds majority requirement for the approval of both the votes cast and the shares represented at the EGM,¹ approval and publication of the prospectus, and Van Herk's acquisition of the minority shareholders' shares in DCprime. The closing of the Transaction is expected to take place at the end of December 2020.

Immunicum's assessment is that the current funds available for the combined entity will be sufficient to finance operations into the beginning of 2022 based on immediate financial benefit from the companies' operational synergies. Immunicum will further propose to the EGM the approval of a mandate for the Board of Directors to resolve to issue shares in a directed issue of up to 20 percent of the outstanding shares after the Transaction to facilitate financing activities.

Comments from Immunicum and DCprime

"As announced in the recent corporate and clinical update from September, one of Immunicum's main goals is to expand the Company's pipeline with the vision of becoming a leading cell therapy company. As such, joining forces with DCprime, an innovative company with extensive expertise in allogeneic dendritic cell biology, stands as an exciting opportunity with great potential for Immunicum that will build additional value for the Company, our shareholders and future patients," stated Sven Rohmann, MD, Ph.D., Chief Executive Officer of Immunicum. "Together, we can pursue the treatment of both solid tumor and blood-borne tumors by intratumoral priming as well as systemic boosting using the next-generation of allogeneic, off-the-shelf cell-based therapies. Our teams and our technologies are complementary and would significantly increase the potential of our pipeline and deliver more value-inflection points and potential partnering opportunities."

"DCprime has established a strong position in cell-based cancer therapy with a Phase II asset in blood-borne tumors. By integrating with the Immunicum team, we look forward to the continued advancement of our unique relapse vaccine approach in parallel to the ongoing clinical progress of Immunicum's lead candidate, ilixadencel," stated Erik Manting, Ph.D., Chief Executive Officer of DCprime. "From a corporate perspective, DCprime's and Immunicum's lean and focused organizations and excellent teams are the perfect match to drive the development of the combined pipeline products and identify additional novel therapeutic solutions to address unmet medical needs in the field of cancer therapy."

"This transaction is a transformative milestone for Immunicum as it will bring additional value to the company and enable it to further establish itself as a leader in the development of cell-based immuno-oncology treatments," said Michael Oredsson, Chairman of the Board at Immunicum. "Together, we will have world class competence with in-house process development and manufacturing expertise and specialized research and development facilities as

well as strengthened ownership by the addition of Van Herk, a renowned and committed life science investor known for their success stories in Galapagos and Zealand Pharma, BioInvent, Galapagos and successful trade sale exits in Ablynx (Sanofi), Crucell (J&J), among others.”

“The combination of Immunicum and DCprime creates a well-positioned company with a broad pipeline with two programs in the clinical phase as well as several preclinical opportunities,” said Dharminder Chahal, Chairman of the Board at DCprime and representative for Van Herk. “We look forward to supporting Immunicum as the company further advances its innovative immuno-oncology projects.”

Consideration

The purchase price for all outstanding shares in DCprime will be paid through the issuance of 73,909,635 shares (the “Consideration Shares”) in Immunicum, representing a dilution of 44.48 percent (44.0 percent on a fully diluted basis considering outstanding warrants). Based on the closing price of Immunicum’s shares on 17 November, SEK 8.10, the consideration for the capital contributed in-kind corresponds to a total of SEK 598,668,043.50. Through issuance of the Consideration Shares, the number of shares in Immunicum will increase to a total of 166,167,166. The share capital will increase by SEK 3,695,481.75, from SEK 4,612,876.55 to a total of SEK 8,308,358.3. The dilution has been calculated as the number of issued new shares, divided by the total number of shares following the new issue.

The issuance of the Consideration Shares is subject to approval by an EGM. Further, the issuance of the Consideration Shares requires publication of a prospectus in connection with admission for trading of the newly issued shares on Nasdaq Stockholm.

The Consideration Shares that Van Herk and DCprime minority shareholders receive are subject to a lock-up arrangement of twelve months following closing of the Transaction, with certain exemptions that can be granted by the company.

Van Herk will, through the issuance of the Consideration Shares, achieve a shareholding in Immunicum representing at least three tenths of the voting rights for the total number of shares in Immunicum. According to Chapter 3, Section 1 Stock Market (Takeover Bids) Act (Sw. *Lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) Van Herk would be obligated to make a public offer for all shares in Immunicum within four weeks thereafter (so-called mandatory bid). Van Herk has applied for and been granted an exemption from such mandatory bid obligation by the Swedish Securities Council. The granting of the exemption by the Swedish Securities Council is conditional upon (i) Immunicum informing its shareholders of the share capital and voting shares, respectively, in Immunicum that Van Herk receives through the Transaction and (ii) the approval of the issue of the Consideration Shares by the EGM in Immunicum supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the EGM.

The Swedish Securities Council’s full statement (AMN 2020:57) is available at www.aktiemarknadsnamnden.se.

EGM

Issuance of the Consideration Shares is subject to approval by an EGM to be held on 18 December 2020. Notice to the EGM will be made through a separate press release. In light of Covid-19, the Board of Immunicum has decided that shareholders of Immunicum at the EGM shall be able to exercise their voting rights by mail and e-mail in accordance with Section 3 of the Swedish Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

Indicative Time Plan

December 18 th , 2020	Extraordinary General Meeting in Immunicum
December 21 st , 2020	Closing of the Transaction

Financial and Legal Advisors

Erik Penser Bank is acting as financial advisor, Asperion is acting as strategic advisor and Advokatfirman Delphi is legal advisor to Immunicum in relation to the Transaction. Kempen & Co is acting as financial advisor and Advokatfirman Cederquist and Allen & Overy are acting as legal advisor to DCprime.

Presentation

Representatives of Immunicum and DCprime will hold a live webcast on Thursday, November 19th at 8:00 a.m. CET in order to further describe the Transaction.

The audio cast will be streamed via this link: <https://tv.streamfabriken.com/press-conference-november>

Participant dial in numbers:

SE: +46850558351

UK: +443333009267

US: 18335268382

For further information, please visit Immunicum's webpage (www.immunicum.com).

The information is such information that Immunicum is obliged to make public pursuant to EU Market Abuse Regulation. The information was released for public disclosure through the contact persons detailed below on 18 November 2020 at 11:30 pm CET.

For more information, please contact:

Sven Rohmann, CEO
Telephone: +46 8 732 8400
E-mail: info@immunicum.com

INVESTOR RELATIONS

Jonas Rodny and Carolin Wiken
Paues Åberg Communications
Telephone: +46 190 90 51
E-mail: ir@immunicum.com

Media Relations

Joanne Tudorica and Sophia Hergenhan, Ph.D.
Trophic Communications
Telephone: +49 171 351 2733
E-mail: ir@immunicum.com

About Immunicum AB (publ)

Immunicum is establishing a unique immuno-oncology approach through the development of allogeneic, off-the-shelf cell-based therapies. Our goal is to improve survival outcomes and quality of life by priming the patient's own immune system to fight cancer. The Company's lead product ilixadencel, consisting of pro-inflammatory allogeneic dendritic cells, has the potential to become a backbone component of modern cancer combination treatments in a variety of solid tumor indications. Immunicum has evaluated ilixadencel in several clinical trials including the recently completed exploratory Phase II MERECA study in kidney cancer and the Company is moving towards late-stage clinical development. Founded and based in Sweden, Immunicum is publicly traded on the Nasdaq Stockholm. www.immunicum.com

About DCprime

DCprime is the front-runner in the field of relapse vaccines, a new class of oncology vaccines administered after or in conjunction with standard of care therapy to delay or prevent disease recurrence. DCprime's product is a whole-cell-based vaccine addressing blood cancers with a high risk of relapse. DCprime is pursuing similar vaccination approaches for solid tumors. DCprime believes relapse vaccines will improve survival by putting the patient's immune system back in control. For more information, please visit: <https://dcprime.com/>

¹ According to an exemption from the mandatory bid obligation, granted by the Swedish Securities Council to Van Herk (AMN 2020:57), the approval of the issue of the Consideration Shares by the EGM in Immunicum must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the EGM.

Attachment

- [20201118_Immunicum_Business Combination_ENG_Final](#)