Reponex Pharmaceuticals ApS

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Newsletter – June 19, 2016

Dear shareholder,

Breaking news: The Danish Medicines Agency has approved the clinical trial protocol for the peritonitis project.

Reponex is pleased to announce that the clinical trial protocol for its priority clinical project, the intraperitoneal treatment of bacterial peritonitis (**the peritonitis project**), has now been approved by the Danish Medicines Agency, which is preparing the documentation of its written approval. This means that recruitment of patients can start at the Gastro Unit of the Department of Surgery, Herlev Hospital after the summer break.

Approval of the trial protocol has already been granted by the Regional Research Ethics Committee and the Good Clinical Practice (GCP) Unit.

As outlined in previous newsletters, this new type of treatment has the potential both to improve treatment and to reduce the hospitalization costs of post-operative peritonitis. Defense-boosting GM-CSF (molgramostim) and the appropriate antibiotics are given directly into the peritoneal cavity during surgery, offering the prospect of discharge from hospital and transfer to oral antibiotics after only one day instead of the current three days after primary surgical treatment of appendicitis. The major gain in patient convenience in conjunction with significant hospital cost saving is expected to be the market driver for widespread acceptance of the Reponex treatment.

Good news for the wound healing project

Reponex's other priority project, the acceleration of healing of chronic skin wounds and ulcers by means of molgramostim-containing topical gels, has also seen significant advances.

The gel base has been optimized to obtain the most suitable consistency for wound care and the first round of validated assays of the recovery of intact molgramostim have shown complete availability of the active ingredient in the gel.

This means that Reponex is on track for initiating a proof-concept phase IIa clinical study before the end of the year at the Department of Dermatology and Center for Wound Healing at Bispebjerg Hospital, Copenhagen, facilitated by its participation in the Danish Innovation Directorate's NextPartnership program.

Reponex is confident that its dermatological preparations will be seen as a significant advance in the treatment of chronic skin ulcers, e.g. due to venous insufficiency or diabetes, alleviating prolonged patient discomfort and reducing treatment costs – and the aforementioned factors are the core market driver for these products.

Patents

The patent applications relevant to the two priority projects were filed internationally (PCT) last year. Response to the Written Opinions of the International Search Authority are being held over until entry into the national phase.

Capital increase with preemptive rights for existing shareholders

To cover its financial requirements for the current execution of the above projects, Reponex is issuing shares with preemptive rights for existing shareholders. Investors are invited to subscribe for up to 63,716 shares with a par value of DKK 0.10, at a price of DKK 87.89 per share. The minimum total issue will be of 47,218 shares, equivalent to proceeds of DKK 4.15 million, the maximum issue being 63,716 shares, equivalent to proceeds of DKK 5.60 million.

Use of proceeds: If the issue is fully subscribed, up to DKK 5.0 million of the proceeds will go to the Company's working capital. The proceeds are budgeted to cover the capital needs for the current level of activity, taking account of conservative Named Patient Sales up to Q3/Q4 2017. Allowance has been made very conservative for expected income from down payments, license payments, milestones and royalties expected to be realized from the end of 2017.

Minority shareholder protection: In order to comfort the vast number of existing minority shareholders as well as any and all possible new shareholders, majority shareholder Biopharma Holding ApS (26.8% of all shares) have signed a minority shareholder protection catalogue.

Hørsholm, June 19, 2016

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Nyhedsbrev 19. juni 2016

Kære aktionær

Breaking news: Lægemiddelstyrelsen godkender protokollen for den kliniske afprøvning forbundet med peritonitisprojektet.

Reponex kan meddele, at Lægemiddelstyrelsen har nu godkendt den kliniske protokol for afprøvning af selskabets prioriterede kliniske projekt, den intraperitoneale behandling af bakteriel bughindebetændelse (**peritonitisprojektet**), og forbereder dokumentation for den skriftlige godkendelse. Dette betyder, at patientrekruttering kan begynde hos Gastroenheden på Herlev Hospital efter sommerferien.

Den Regionale Videnskabsetiske Komité og Good Clinical Practice (GCP) enheden har allerede godkendt den kliniske protokol.

Som forklaret i tidligere nyhedsbreve, har denne nye behandling potentialet til både at forbedre de gængse metoder og reducere hospitalsomkostninger ved behandling af bughindebetændelse. Den forsvarsstyrkende GM-CSF (molgramostim) og de passende antibiotika gives direkte ind i bughulen ved den kirurgiske procedure og tilbyder overgang til perorale antibiotika og udskrivning fra hospitalet efter blot én dag i stedet for de nuværende tre dage. Den markante fordel for patienterne sammenholdt med signifikant besparelse af indlæggelsesomkostninger ventes at være ”market driver” for en bred accept af Reponex’ nye behandling.

Fremgang med sårhelingsprojektet

Selskabets andet prioriterede kliniske projekt, fremskyndelse af heling af kroniske hudsår ved hjælp af molgramostim-holdige hudgeler, har også set en betydelig fremgang.

Gel basen er blevet optimeret for at opnå den bedst egnede konsistens for sårpleje og den første runde af validerede bestemmelser af genfund af intakt molgramostim har vist fuld tilgængelighed af gelens aktive ingrediens.

Dette betyder at Reponex er godt på vej til påbegyndelse af proof-of-concept fase IIa kliniske undersøgelser før årets udgang på Dermatologisk Afdeling og Videncenter for Sårheling på Bispebjerg Hospital, fremmet af afdelingens deltagelse i Innovationsstyrelsens NextPartnership program.

Selskabet er overbevist om, at de nye hudlægemidler vise sig som et betydeligt fremskridt i behandlingen af kroniske hudsår, fx forårsaget af venøs insufficiens eller sukkersyge, ved at lindre patienternes tilstand og reducere plejeomkostningerne – og førnævnte faktorer er væsentlige "market drivere" for produkterne.

Patenter

Patentansøgningerne, der relaterer til de to prioriterede projekter blev indleveret internationalt (PCT) i fjor. Svar på de skriftlige vurderinger fra International Search Authority ventes indleveret, når ansøgningerne går ind i den nationale fase.

Kontatnt emission med fortegningsret til eksisterende kapitalejere

Reponex udfører ovennævnte emission for finansiering af de umiddelbare omkostninger forbundet med selskabets aktiviteter, først og fremmest de to prioriterede kliniske projekter. Der udbydes tegning af kapitalandele modsvarende op til 63.716 stk. á nom. DKK 0,10 til en pris af DKK 87,89 pr. andel. Minimum tegning er 47.218 stk. kapitalandele svarende til et provenu på DKK 4,15 mio.; maksimum tegning er 63.716 stk. kapitalandele svarende til et provenu på DKK 5,60 mio.

Anvendelse af provenu: Ved fuldtegning indgår op til DKK 5,0 mio. af provenuet i selskabets arbejdskapital. Provenuet budgetteres at imødekommet kapitalbehovet for Reponex ved det nuværende aktivitetsniveau og ved indregning af konservativt estimeret Named Patient Sales frem til Q3/Q4 2017. Der er sket konservativ indregning af forventelige indtægter (Andet salg) fra down payments, licensbetalinger, milestones og royalty, som forventes muliggjort fra ultimo 2017.

Beskyttelse af minoritetsaktionærer: For at give komfort til det store antal eksisterende mindretalsaktionærer samt alle eventuelt nye kapitalejere, har største kapitalejer BioPharma Holding ApS (26,8 % af nuværende udstedt kapital) underskrevet en aftale om beskyttelse af minoritetsaktionærer.

Hørsholm, 19. juni 2016

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