



Press Release

May 11, 2020

Nanoform intends to launch an initial public offering and dual listing on Nasdaq First North Premier Growth Markets in Finland & Sweden

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Nanoform Finland Plc (“Nanoform” or the “Company”), a company offering expert services in nanotechnology and drug particle engineering for the global pharma industry, today announces its intention to proceed with an Initial Public Offering (“IPO” or “Offering”) and listing of its shares on Nasdaq First North Premier Growth Market Finland and Nasdaq First North Premier Growth Market Sweden. The Company’s proprietary Controlled Expansion of Supercritical Solutions (CESS®) technology has the potential to facilitate a paradigm shift in the global pharma industry, by addressing the key issue of low bioavailability.

Nanoform in brief

Nanoform, founded in 2015 in Helsinki, is an expert in nanotechnology and drug particle engineering. The Company’s mission is to enable a significant increase in the number of drugs that progress to clinical trials and reach the market. Through the use of the Company’s scalable and patented CESS® technology, the Company offers the potential to improve the bioavailability and efficacy of drugs by decreasing the size of the drugs’ API¹ particles. CESS® has demonstrated the capacity to produce crystalline or stable amorphous nanoparticles below 200 nanometers, and at times as small as 10 nanometers, from solution without the use of solvents, excipients or complex production processes. The technology was discovered at the University of Helsinki in 2012 by professors Edward Hæggström and Jouko Yliruusi through their combined expertise in physics and pharmaceutical technology.

The global pharma industry faces a significant efficiency problem where the annual drug development costs are increasing however, the number of new drugs entering the market has remained constant. The significant and increasing resources invested by pharmaceutical companies fail to yield compensating output due to attrition of potential new drugs during the development process. One main reason behind this problem is that drug candidates suffer from low solubility and consequently poor bioavailability.

The CESS® technology provides an opportunity for Nanoform’s customers to enable new drugs to progress through clinical trials, to give unsuccessful drug candidates a second chance for market entry as well as to improve existing drugs and to enable life cycle management. The technology may provide

¹ Active Pharmaceutical Ingredient

many benefits. By enhancing the molecular performance, i.e. improving bioavailability and efficacy of the drug, the CESS[®] technology may enable new drug administration routes, improve particle engineering and drug formulation possibilities, while at the same time reducing the dosage which implies reduced costs, environmental footprint, and potentially reduced side-effects.

Today Nanoform evaluates the CESS[®] technology with several customers, including AstraZeneca and Orion Pharma, and has a growing pipeline of major pharma and biotech partners. The Company currently operates seven production lines; six non-GMP lines and one GMP² compliant production line.

In the long term, the Company's vision is to double the number of new drugs that annually reaches the market and to have an indirect effect on the lives of over one billion people treated with drugs benefitting from nanoformed APIs.

Nanoform's key strengths

The Company believes that Nanoform's key strengths are:

- operates in a multi-billion-dollar global pharma market
- possesses a patent protected technology with the potential to facilitate a paradigm shift in the global pharma industry, by addressing the key issue of low bioavailability
- possesses a cost-efficient technology that enables sustainable and scalable supply for customers
- has a business model that is expected to be highly cash-generative with strong potential for recurring revenues
- has a seasoned management team with an excellent combination of competences, supported by a highly qualified Board of Directors
- has strong momentum with significant opportunities ahead

Nanoform's expected near-term business targets

- start of first GMP project before year end 2020
- win more new customers in 2020 than in 2019
- first clinical trial and dosing in humans in 2021

Nanoform's 2025 business targets include among others:

- process at least 50 new APIs per year
- have 25 production lines of which 5-10 are GMP compliant
- be cash flow positive

Edward Hægström, CEO and Co-founder of Nanoform:

"2020 has been a truly exciting year for us. We've landed several new contracts with pharma clients which is a strong statement for the interest in our technology, we received GMP Certificate from FIMEA and we're heading towards an IPO, and we've expanded our nanoforming capacity. I'm impressed by our team that has done tremendous work to reach these achievements, and I feel excited to continue as a listed company with high ambitions for the future. I believe that Nanoform's technology offers significant value to our clients and with this IPO we'll accelerate our work to try to overcome the industry's significant bioavailability challenges."

Miguel Calado, Chairman of the Board of Directors of Nanoform:

"It is not often during a person's career that one comes across such a promising technology within the pharmaceutical industry. I have a long history in the drug manufacturing industry and Nanoform really brings something ground-breaking to the industry. Having witnessed the Company evolve as Vice Chairman over the past year, it is a great privilege now as Chairman of the Board to see Nanoform start its journey as a listed company."

² Good Manufacturing Practice

The Offering

Pursuing an IPO is a natural and important next step for Nanoform, by which the Company expects to benefit from a broader shareholder base and to access international capital markets. The dual-listing in particular, is a way of catering to investors in the Finnish domestic market while also attracting sector specialists in Sweden and a broader pool of Nordic and international investors. Furthermore, the IPO is expected to support the Company's growth strategy and strengthen the recognition and brand awareness among customer companies and investors and thus enhance Nanoform's competitiveness and the awareness of the CESS[®] technology.

The contemplated Offering will primarily consist of new shares issued by the Company as well as a limited number of shares sold by co-founders³ and certain shareholders who participated in the Company's early financing rounds. The co-founders remain significant shareholders in the Company and have agreed to a lock-up of their shares until year-end 2022 to show their strong commitment for actively supporting the Company going forward. In addition, there will be customary lock-up provisions for the management team, the Board of Directors, for selling shareholders, and for the Company. The shares will be offered to qualified and institutional investors in Finland, Sweden, and internationally (excluding the U.S.) as well as to the general public in Finland and Sweden. All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933, as amended. Gross proceeds from the new shares issued are expected to be approximately EUR 70 million and will be used to support the Company's growth strategy, primarily by further expanding the Company's manufacturing capabilities as well as by strengthening the manufacturing, quality assurance and sales teams, and the continuous R&D effort.

Keel Capital, Fjärde AP-Fonden (AP4), Handelsbanken Fonder AB, certain funds managed by Sp-Fund Management Company Ltd, Mandatum Life Insurance Company Limited (part of Sampo Group), certain funds managed by OP Fund Management Company Ltd, and Avohoidon Tutkimussäätiö (together the "Cornerstone Investors") have in total, subject to certain conditions, committed to subscribe for shares amounting to approximately EUR 45 million in the Offering at a pre-money equity value of up to EUR 150 million.

Full terms, conditions and instructions for the contemplated IPO, will be included in the prospectus that will be prepared by Nanoform in connection with the contemplated IPO. The prospectus will be published on the Company's website, "www.nanoform.com".

Advisers

Danske Bank A/S, Finland Branch and Skandinaviska Enskilda Banken AB act as Joint Global Coordinators and Swedbank AB (in cooperation with Kepler Cheuvreux SA) and Stifel Nicolaus Europe Limited are Joint Bookrunners in connection with the IPO. Borenius Attorneys Ltd and Advokatfirman Vinge KB act as legal advisors to the Company whereas White & Case LLP is legal advisor to the Joint Global Coordinators and Joint Bookrunners.

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About Nanoform

Nanoform is an innovative nanoparticle medicine enabling company. Nanoform works together with pharma and biotech partners globally to reduce attrition in clinical trials and enhance their molecules formulation performance through its nanoforming services. The company's patented and scalable Controlled Expansion of Supercritical Solutions (CESS[®]) technology produces nanoformed API particles, as small as 10nm. This enables poorly soluble molecules in the pharmaceutical pipeline to progress into

³ Co-founders include Edward Hæggström, Jouko Yliruusi, Kai Falck, and Ilkka Lassila

clinical development by increasing their rate of dissolution and by improving their bioavailability. Nanoform's unique technology provides novel opportunities in many value enhancing drug delivery applications.

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This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Full terms, conditions and instructions for the contemplated IPO will be included in the prospectus that will be prepared by Nanoform Finland Plc in connection with the contemplated IPO.

Any offering to subscribe for the securities referred to in this communication will be made by means of a prospectus that will be provided by Nanoform Finland Plc following approval and registration by the Finnish Financial Supervisory Authority and that will contain detailed information about the Company and management, as well as financial statements. This communication is an advertisement and not a prospectus for the purpose of the Prospectus Regulation. Investors should not acquire any securities referred to in this communication except on the basis of information contained in a prospectus. Any

approval and registration by the Finnish Financial Supervisory Authority of the prospectus shall not be considered as an endorsement of the securities that are the subject of the prospectus.

Certain statements in this communication are “forward-looking statements”. Forward-looking statements include statements concerning plans, assumptions, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, the Company’s competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, its business strategy and the anticipated trends in the industry and the political and legal environment in which it operates and other information that is not historical information, such as development and commercialization of the CESS® technology, investments, the contemplated IPO and listing, future cash flow generation, operating profit margin, financial position and liquidity. In some instances, they can be identified by the use of forward-looking terminology, including the terms “believes”, “intends”, “may”, “will” or “should” or, in each case, their negative or variations on comparable terminology.

Forward-looking statements in this release are based on assumptions, many of which in turn are based on assumptions. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and the risk exists that the predictions, forecasts, projections, plans and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, you are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release. Save as required by law, the Company and the managers do not intend and do not assume any obligation, to update or correct any forward-looking statement contained herein.