AXON COVIDAX a. s.

Offering of up to 40,000 preferred shares

Offer Price: EUR 1,000 per Offer Share

This document is a prospectus (the **Prospectus**) which been prepared by AXON COVIDAX a. s., a company organised under the laws of the Slovak Republic, with its registered office at Dvořákovo nábrežie 10, Bratislava - mestská časť Staré Mesto 811 02, Slovak Republic, Identification No. (in Slovak: *IČO*): 53 263 375, registered in the Commercial Register of District Court Bratislava I, Section: Sa, File No.: 7164/B, LEI: 097900CAKA0000002788 (the **Issuer**) for the purposes of a public offering (the **Offering**) of up to 40,000 newly issued preferred certificated shares (in Slovak: *prioritné listinné akcie*) of the Issuer in the non-bearer form (in Slovak: *vo forme na meno*), each share with a nominal value of EUR 1.00 (one euro) per share, comprising up to 20% of the share capital of the Issuer as of the date of this Prospectus (the **Offer Shares**). The Offer Shares will become available for subscription as of 28 October 2020.

The Issuer prepared this Prospectus dated 20 October 2020 as a prospectus within the meaning of Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Prospectus Regulation**), pursuant to Commission Delegated Regulation (EU) 2019/979 supplementing the Prospectus Regulation with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal and pursuant to Article 24 and Annexes 1, 11 and 22 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Delegated Regulation on Prospectus**). The Prospectus will be approved by the National Bank of Slovakia (**NBS**) as the competent authority of the Slovak Republic pursuant to Section 120(1) of the Securities Act for the purposes of the Prospectus Regulation.

The Issuer has not applied for admission of the Offer Shares to trading on a regulated market as meant by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended (**MiFID II**) or any other equivalent market and will not do so in the future. The Issuer will request the NBS to notify the approval of the Prospectus to the competent authorities under the Prospectus Regulation of Poland, Hungary, Czech Republic, United Kingdom of the Great Britain and Northern Ireland, Spain, Federal Republic of Germany, Austria, Netherlands, Italy, Finland, Sweden, Denmark, Romania, Slovenia and Croatia and possibly to other Member States of the EU for the purposes of the public offering of the Offer Shares in these countries. The Prospectus is subject to subsequent publication pursuant to Article 21 of the Prospectus Regulation.

The Prospectus will not be registered, authorised or approved by any authority of any other country outside the European Economic Area (the **EEA**). In particular, the Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**). Therefore, the Offer Shares may only be offered, sold or delivered within the United States or to the account or for the benefit of U.S. persons subject to the exemption from the registration requirements under that U.S. Securities Act or as part of a deal not subject to this registration requirement. The persons who get hold of this Prospectus are responsible for compliance with the restrictions applicable in individual states to the offering, subscription or sale of the Offer Shares or the holding and dissemination of any materials relating to the Offer Shares, including this Prospectus. For more information, see section 7 headed "*Information concerning the Offer Shares*".

The NBS only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or an endorsement of the quality of the Offer Shares that are the subject of this Prospectus.

The validity of the Prospectus will expire on 28 October 2021. The obligation to supplement the Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when the Prospectus is no longer valid. Anytime during the validity of the Prospectus, a supplement to the Prospectus may be prepared in relation to the updating of the Prospectus and submitted to the NBS for approval. Once approved, the supplement shall be published in accordance with Article 21 of the Prospectus Regulation.

Other than in relation to the documents which are deemed to be incorporated by reference (see section 4 headed "*Documents incorporated by reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the NBS.

Investing in the Offer Shares involves material risks. Potential investors should make their own assessment as to the suitability of investing in the Offer Shares. Potential investors should consider risks described in section 2 headed "*Risk factors*".

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1. SUMMARY

*Below summary provides the key information that investors need in order to understand the nature and the risks of the Issuer and the Offer Shares. The summary shall be read together with the other parts of the Prospectus. Capitalized terms used in the Summary have the meanings ascribed to them in section 14 headed "*Glossary*" or any other part of the Prospectus. The Summary meets all requirements of the Article 7 of the Prospectus Regulation. The Summary consists of mandatory disclosures divided into four sections and subsections, whereby it contains all mandatory disclosures that must be included in the summary for this type of securities and the Issuer.*

1.1 Introduction and warnings

Warnings	This summary should be read as an introduction to this Prospectus. Any decision to invest in the Offer Shares should be based on a consideration of the Prospectus as a whole by the investor, including any of its supplements (if applicable). The investors can lose all or part of the invested capital in the Offer Shares. If a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. The Issuer is responsible for the summary, including any translations thereof. The Issuer may be held liable for the content of the summary, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where the summary, when read together with the other parts of the Prospectus, does not provide key information in order to aid investors when considering whether to invest in the Offer Shares.
Name of the Offer Shares and international securities identification number (ISIN)	The Offer Shares are preferred certificated shares (in Slovak: *prioritné listinné akcie*) in the non-bearer form (in Slovak: *vo forme na meno*), each share with a nominal value of EUR 1.00 (one euro) per share. The Offer Shares have not been assigned with any name or International Securities Identification Number (ISIN).
Identity and contact details of the Issuer, including its legal entity identifier (LEI)	The Issuer of the Offer Shares is AXON COVIDAX a. s., with its registered office at Dvořákovo nábrežie 10, Bratislava - mestská časť Staré Mesto 811 02, Slovak Republic, Identification No. (in Slovak: *IČO*): 53 263 375, registered in the Commercial Register of District Court Bratislava I, Section: Sa, File No.: 7164/B, LEI: 097900CAKA0000002788. The Issuer can be contacted at +421 2 209 21639 or via the e-mail address info@covidax.eu.
Identity and contact details of the competent authority approving the Prospectus	The Prospectus will be approved by the National Bank of Slovakia as the competent authority of the Slovak Republic pursuant to Section 120(1) of the Securities Act for the purposes of the Prospectus Regulation. The National Bank of Slovakia can be contacted at +421 257 871 111 or via the e-mail address info@nbs.sk.
Date of approval of the Prospectus	The Prospectus was approved by the decision of the National Bank of Slovakia No.: 100-000-257-013 to file No.: NBS1-000-054-629, which became valid and effective (in Slovak: *právoplatné*) on 28.10.2020.

1.2 Key information on the issuer

Who is the issuer of the securities?

Domicile and legal form, LEI, country of incorporation and the law under	The Issuer is a joint stock company incorporated under the laws of the Slovak Republic, with its registered office at Dvořákovo nábrežie 10, Bratislava - mestská časť Staré Mesto 811 02, Slovak Republic, Identification No. (in Slovak: *IČO*): 53 263 375, registered in the Commercial Register of District Court Bratislava I, Section: Sa, File No.: 7164/B, LEI: 097900CAKA0000002788.

which the Issuer operates	The Issuer operates in accordance with the laws of the Slovak Republic.
Principal activities	The Issuer is a company founded for the specific purpose of developing a prophylactic and/or immunotherapeutic vaccine against diseases and disorders caused by coronaviruses causing Severe Acute Respiratory Syndrome (SARS), in particular the COVID-19 disease (this vaccine hereinafter as **COVIDAX**), performing clinical trials, continuing the regulatory approval process with authorities in several countries, and ultimately successfully obtaining regulatory approval for COVIDAX and its commercialization. The Issuer may broaden the scope of its research and other related activities for development of other therapeutic agents. The Issuer will acquire an exclusive, worldwide, sub-licensable (subject to customary conditions when limiting sub-licensing), indefinite (subject to possibility of termination in the case of narrowly defined termination grounds customary to a license of this nature and scope) license under intellectual property at arm's length from the Existing Shareholder, AXON Neuroscience SE, to develop, manufacture and commercialize COVIDAX, a tested human product in the field of prophylaxis and/or immunotherapy against diseases and disorders caused by coronaviruses causing Severe Acute Respiratory Syndrome (SARS), in particular the COVID-19 disease. After and subject to the successful completion of clinical trials and regulatory approvals of COVIDAX, the Issuer will be able to seek commercialization of this license by a sale to a sales and distribution partner in exchange for a lump sum payment and annual royalty payments equal to a percentage of its worldwide sales. These licensing arrangements are typical for the pharmaceutical sector.
Major shareholders	The Issuer has a single shareholder, AXON Neuroscience SE, established and existing under Cypriot law, with its registered office at 4, Arch. Makariou & Kalogreon, Nicolaides Sea View City, 5th Floor, office 406, 6016 Larnaca, Cyprus (the **Existing Shareholder**). The Existing Shareholder owns 100% of the Issuer's ordinary shares (except for the Offer Shares) and holds 100% of the voting rights in the Issuer. The Existing Shareholder will retain 100% of the voting rights in the Issuer because the Offer Shares have no voting rights attached. Ultimate beneficial owner and controlling person of the Issuer is Mr. Boris Kreheľ, resident of the Slovak Republic.
Key managing directors	Key managing directors of the Issuer are Mr. Michal Fresser, Chairman of the Board of Directors and Mr. Ladislav Satko and Mr. Norbert Žilka, Members of the Board of Directors.
Statutory auditors	Auditor of the Issuer is BDO Audit, spol. s r. o., with its registered seat at Pribinova 10, Bratislava – mestská časť Staré Mesto 811 09, Slovak Republic, Identification No. (in Slovak: *IČO*): 44 455 526, registered in the Commercial Register of District Court Bratislava I, Section: Sro, File No.: 54967/B, licence of Auditing Oversight Authority (*Úrad pre dohľad nad výkonom auditu*) No. 339.

What is the key financial information regarding the issuer?

Key financial information from the audited interim financial statements of the Issuer to 7 October 2020 in accordance with the Slovak Accounting Standards (SAS) (the **Financial Statements**):

Key information from the statement of profit or loss (*audited non-consolidated financial data in accordance with SAS, in EUR*)	for the period from 3 to 7 October 2020
Total revenue	0
Operating profit	-12,747
Net profit or loss	-12,747

Key information from the balance sheet (*audited non-consolidated financial data in accordance with SAS, in EUR*)	as at 7 October 2020
Total assets	175,964
Total equity	163,253

Key information from the cash flow statement (*audited non-consolidated financial data in accordance with SAS, in EUR*)	for the period from 3 to 7 October 2020

Cash flows from operating activities	0
Cash flows from financing activities	175,964

There are no comparative financial information available, as the Issuer has been incorporated on 3 October 2020.

The Financial Statements were audited by the Issuer's auditor without qualification. Since the date of the Financial Statements, no transactions have been made that could result in a significant overall change affecting the Issuer's assets, liabilities and revenues, greater than 25% with respect to one or more its business.

There have been no material changes in the financial or trading position of the Issuer since the date of the Financial Statements.

What are the key risks that are specific to the issuer?

The most material risk factors specific to the Issuer	The following risk factors are the most material with respect to the Issuer: 1. Risk of COVIDAX (product candidate for prophylactic vaccine against COVID-19) being commercially unsuccessful. 2. Issuer's entire business is completely dependent on the success of a single product to prevent spread of COVID-19; negative effects of COVID-19 as such could however prove transient, thereby eliminating the business case of COVIDAX. 3. The Issuer will acquire a licence to develop, manufacture and commercialize COVIDAX, a product candidate in the field of prophylaxis, vaccination and immunotherapy for COVID-19, but COVIDAX is currently not approved product and generates no revenue. 4. Clinical trials required for COVIDAX are expensive and time-consuming, their outcome is uncertain and, if clinical trials do not meet safety or efficacy endpoints in these evaluations or, if significant delays in these trials occur, the ability to commercialize the product and improve the Issuer's financial position will be significantly impaired. 5. The Issuer has no operating history, which makes it difficult to evaluate the prospects for its future viability.

1.3 Key information on the securities

What are the main features of the securities?

Type, class and ISIN of the securities	The Offer Shares are preferred certificated shares (in Slovak: *prioritné listinné akcie*) of the Issuer in the non-bearer form (in Slovak: *cenné papiere na meno*). The Issuer will maintain a list of shareholders, the Offer Shares will not be registered with any central depository. The Offer Shares have not been assigned with ISIN.
Currency, denomination, par value, the number of securities issued and the term of the securities	The currency of the Offer Shares is Euro (EUR). The total nominal amount of the Offer Shares is EUR 40,000. Each Offer Share has a nominal value of EUR 1.00 (one euro). The Offer Shares are issued for indefinite (perpetual) period.
Rights attached to the securities	The Offer Shares grant the investor the right to, *inter alia*, (i) priority right to receive dividends (if any) when their distribution is proposed by the Issuer and approved for distribution by the General Meeting of the Issuer in accordance with the Articles of Association, in any case, only if the Issuer achieves a positive profit after tax in its respective accounting period, the Offer Shares' holders are entitled to a dividend of 105% of the dividend to be distributed to shareholders holding ordinary shares of the Issuer; (ii) to receive the Issuer's liquidation balance after fulfilment of its obligations to creditors, proportionate to their shareholding; (iii) the right to attend, submit proposals and take part in discussions at any General Meeting; (iv) the right to request certain information and explanations, including copies of certain documents relating to the business of the Issuer; (v) the right to challenge the decisions of the General

	Meeting in court proceedings subject to conditions set out in the Slovak Commercial Code; and (vi) the pre-emption right to subscribe for new shares by the Issuer. The Offer Shares do not grant the investor any voting rights in the General Meetings of the Issuer except in very limited circumstances specified in the Slovak Commercial Code. The rights attached to the Offer Shares are governed by the laws of the Slovak Republic.
Relative seniority of the securities in the issuer's capital structure in the event of insolvency	The liquidation balance, if any, will be distributed to the holders of the Offer Shares in proportion to the paid nominal amount (not issue/offer price) of their respective shares in the Issuer. Such distributions to the holders of the Offer Shares will be *pari passu* with distributions to holders of any other shares in the Issuer.
Restrictions on the free transferability of the securities	The Offer Shares are freely transferable subject to selling and transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee, including the United States and the European Economic Area (the **EEA**). Due to the certificated form, any transfer of the Offer Shares requires physical hand-over and endorsement (in Slovak: *rubopis*) of the Offer Shares.
Dividend policy	The Issuer has not set up any policy on dividend distributions and/or any restrictions thereon. Dividends, if and when declared, will be distributed to shareholders on a pro-rata basis proportionately to their participation in the share capital of the Issuer and in line with the Issuer's Articles of Association, whereas the total dividend of holders of the Offer Shares will represent 105% of the total dividend to be distributed to the holders of the Issuer's ordinary shares. The Issuer will pay any dividends in EUR.

Where will the securities be traded?

Admission of the securities to trading on a regulated or other market	The Offer Shares will not be admitted to trading on any regulated market. The Issuer has not applied for admission of the Offer Shares to trading on a regulated market or any other equivalent market and will not do so in the future.

What are the key risks that are specific to the securities?

The most material risk factors specific to the securities	The following risk factors are the most material with respect to the Offer Shares: 1. The Offer Shares have no attached voting rights. 2. There is no guarantee that the dividends will be paid in respect of the Offer Shares. 3. There is no protection of the invested capital. If the Issuer become subject to insolvency, investors will very likely recover less than their initial investment and may not be able to recover any amounts at all. 4. The investors will suffer immediate dilution of the investment due to the Offering Price exceeding the net asset value. 5. An investor will not be able to transfer any Offer Shares before acquiring the certificated Offer Shares as any transfer of the Offer Shares requires physical hand-over and endorsement (in Slovak: *rubopis*) of the Offer Shares. 6. The Offer Shares will not be traded on any trading venue and it is very likely that there will not be any liquid market for the Offer Shares. 7. Exchange rate fluctuations may impact the price and the value of the Offer Shares, as well as any dividends or other income paid on the Offer Shares for an investor whose principal currency is not EUR.

1.4 Key information on the offer of securities to the public and/or the admission to trading on a regulated market?

Under which conditions and timetable can I invest in this security?

Terms and conditions of the public offer	The Offer Shares will be offered to the public in the Slovak Republic, Poland, Hungary, Czech Republic, United Kingdom of the Great Britain and Northern Ireland, Spain, Federal Republic of Germany, Austria, Netherlands, Italy, Finland, Sweden, Denmark, Romania, Slovenia and Croatia and possibly in other Member States of the EU or European Economic Area to all categories of investors, at all times pursuant to the Prospectus Regulation and in compliance with applicable selling restrictions and applicable laws of the particular jurisdiction in which the Offer Shares will be offered (the **Offering**). Investors will be approached by the Issuer directly and in particular by means of distance communication. When using the distance communication, an investor can subscribe to the Offer Shares of the Issuer by signing a subscription agreement as part of an online subscription process on the Issuer's website https://www.covidax.eu/. For purposes of the Offering in the Slovak Republic and the Czech Republic, the Issuer has granted its consent for the use of the Prospectus by financial intermediaries. The Offer Price per each Offer Share is EUR 1,000 (one thousand euro). The minimum amount for which the investor will be entitled to subscribe and purchase the Offer Shares is set at EUR 1,000 (one thousand euro), i.e. the minimum amount of the investor's order is set per the issue price of at least one Offer Share. The maximum amount of the order is not limited. The Issuer reserves the right to reject any investor on the basis of the results of the KYC checks, and further reserves the right to do so at any stage of the online subscription process, including after the signing of the subscription agreement and completion of the payment, in which case the Issuer will refund the Investor in full minus any transaction and foreign exchange costs (as the case may be). The Issuer reserves the absolute right to reject or reduce individual subscriptions without providing reasons. Reduction may be caused, in particular, by over-subscription. The Issuer may at any time close the Offering prematurely and/or reduce subscriptions of the Offer Shares. The Issuer will always publish information on the termination or suspension of the Offering in special section of its website https://www.covidax.eu/, section "*Documents*". The Offer Shares will be issued on an ongoing and individual basis during the offer period after the payment by an investor of the issue price of Offer Shares subscribed by that investor. The Offer Shares cannot be traded before their issuance and delivery to the investor. The Offer Shares will be delivered by the Issuer or relevant financial intermediary to each investor only in person. Those investors who will not be able to accept the Offer Shares in person agree with their Offer Shares to be held in custody with the Issuer. The Offering is not addressed to investors in jurisdictions where it may be unlawful or otherwise not permitted. In particular, the Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not, subject to certain very limited exceptions, be offered, sold, given away, inherited or delivered within the United States of America.
Expected timetable of the offer	The Offer Period during which the Offer Shares will be available for subscription will begin on 28 October 2020 and end on 22 October 2021. The Offer Shares will be issued on an ongoing and individual basis during the Offer Period after the payment by an investor of the issue price of Offer Shares subscribed by that investor. The final results of the Offering are expected to be published on or about 29 October 2021.

	The increase of the registered capital of the Issuer is expected to be registered with the Commercial Registry in accordance with Slovak law by 31 December 2021. Any changes to the expected timetable will be published in special section of Issuer's website https://www.covidax.eu/, section "*Documents*".
Details of the admission to trading on a regulated market	The Issuer has not applied and will not apply for admission of the Offer Shares to trading on a regulated market.
Plan for distribution of the securities	There are no specified allotments or distribution plans of the Offer Shares for specific jurisdictions or types of investors. Orders and subscriptions will be reviewed and accepted based on the time of their receipt.
The amount and percentage of immediate dilution resulting from the offer	Before the Offering, the Issuer's share capital is EUR 160,000, represented by 160,000 shares of EUR 1.00 nominal value, which are wholly owned by the Existing Shareholder, Axon Neuroscience SE. As part of the Offering, the Issuer plans to issue further 40,000 preference (in Slovak: *prioritné*) shares of EUR 1.00 (one euro) nominal value, representing 20% of share capital and 0% of the voting rights in the Issuer. The Existing Shareholder has waived the pre-emption right to purchase the Offer Shares. Dilution will affect the Existing Shareholder, who will retain 80% share in the share capital and 100% voting rights in the Issuer following the Offering (assuming that all Offer Shares will be subscribed). At the date of the Financial Statements, the Issuer's net assets comprise cash reserves from the initial share capital contribution by the Existing Shareholder, Axon Neuroscience SE, in total amount of EUR 163,253. The net asset value per share before the Offering is EUR 1.02. Assuming that all Offer Shares would be issued as at the date of the Financial Statements and assuming the net proceeds of the Offer of EUR 36.25 million, the net asset value per share would be EUR 182.07. Such net asset value per share would be lower by EUR 817.93 than the Offer Price, representing the immediate dilution for each investor per Offer Share.
Estimate of the total expenses of the issue and/or offer	The Issuer will not charge any fees to the investors in connection with subscription of the Offer Shares. Fees charged by financial intermediaries to whom the Issuer has given the consent to the use the Prospectus and who are not known at the time of approval of the Prospectus, as well as other offer conditions, will be provided to investors by the respective financial intermediary at the time of the offer of the Offer Shares.

Why is this prospectus being produced?

Use and estimated net amount of the proceeds	The net proceeds of the Offering will be used for purposes of development of COVIDAX, for the development of diagnostic solutions for COVID-19, as well as extending the research for diagnostic solutions and therapeutic agents for other infectious diseases, further performing clinical trials for any of these potential product candidates, continuing the regulatory approval process with authorities in several countries, and ultimately successfully obtaining regulatory approval for commercialization. In future, the Issuer may engage in acquisitions if it considers this to be in its best interest, for example by acquiring a specific technology, substance or other exclusive intellectual property, know how or patents, or else by engaging in acquisition with the aim to obtain certain personnel with unique qualifications that could benefit Issuer's activity. In addition, the Issuer may find it beneficial to use the proceeds to diversify or invest in alternative strand of research, if it considers this to be in its best interest, given a change in the circumstances or other currently unforeseen events. The total fees and expenses (including legal, marketing, auditing and distribution costs and software development) payable by the Issuer in connection with the Offering are expected

	to be between EUR 500,000 to EUR 8,000,000, based on indicative commissions payable by the Issuer to the financial intermediaries and depending on the volume of the Offer Shares placed through the financial intermediaries The estimated net proceeds of the Offering are EUR 36,250,000, assuming total fees and expenses of EUR 3,750,000.
Underwriting commitments	No person has assumed any firm obligations to subscribe the Offer Shares.
Material conflicts of interest pertaining to the offer	No material conflicts of interests relevant to the Issue and offer of the Offer Shares are known as at the date of the Prospectus.

2. RISK FACTORS

Investment in the Offer Shares is associated with certain risks. Prior to making any investment decision with regard to the Offer Shares, each potential investor should take the following risk factors and other investment factors into careful consideration and deciding on the basis of the information provided in this Prospectus, Summary and supplements, which may be prepared in the future, as well as on the basis of information in documents referred to in section 4 headed "Documents incorporated by reference".

Each of the risk factors mentioned below may have a significant impact on the business, results of operations, financial condition, liquidity, cash flows, and prospects of the Issuer and/or the rights of the holders of the Offer Shares. Potential investors should be aware that the value of the Offer Shares may go down as well as up and that investors may not be able to realise their initial investment.

The following overview of risks cannot be regarded as a final one and the Issuer does not guarantee that there are no other risks, apart from the following risk factors, which may have an impact on the Issuer and/or the Offer Shares issued by the Issuer. Future investors should therefore make their own independent assessment of all risk factors and consider all the other parts of this Prospectus.

The risk factors are presented in a limited number of categories depending on their nature. The risk factors described below are lined up according to materiality, so that in each category the most material risk factors are mentioned first.

2.1 Risk factors relating to the Issuer

Risk factors relating to the Issuer have been classified into the following categories:

(a) *risk factors relating to the Issuer's business;*

(b) *risk factors relating to the Issuer's Shareholder;*

(c) *legal and regulatory risk factors associated with the Issuer; and*

(d) *risk factors relating to the Issuer's operations, internal controls and IT systems.*

Risk factors relating to the Issuer's business

Risk of COVIDAX being commercially unsuccessful

The Issuer is a company founded for the specific purpose of developing a prophylactic and/or immunotherapeutic vaccine against diseases or disorders caused by coronaviruses causing severe acute respiratory syndrome (SARS), in particular the COVID-19 (**COVIDAX**). COVIDAX is currently in the pre-commercialization stage. The Issuer aims to commercialize the end product COVIDAX, by offering to purchase an exclusive license to a pharmaceutical sale & distribution partner for an upfront payment and recurring royalty payments.

The Issuer intends to use the proceeds of the Offering to continue developing COVIDAX, performing clinical trials, continuing the regulatory approval process with authorities in several countries, and ultimately successfully obtaining regulatory approval for COVIDAX. Therefore, the commercial success of the Issuer's business activities depends on its ability to successfully finalise and commercialize COVIDAX. If the Issuer is not successful with commercializing COVIDAX, the market price of the Offer Shares is likely to decrease and thus investors might be exposed to risk of losing part or all of their investment in the Offer Shares.

Issuer's entire business is completely dependent on the success of a single product to prevent spread of COVID-19, which in itself could prove transient

The entire business success of the Issuer is dependent on COVIDAX, one standalone product, which should prevent COVID-19. There is a large number of standalone, as well as interrelated risk factors which can cause the failure of COVIDAX. Further, the COVID-19 pandemic itself could prove transient, making COVIDAX obsolete or unnecessary.

The Issuer has no approved product and generates no revenue

As of the date of this Prospectus, the Issuer has no approved product on the market and have generated no product revenue. Unless the Issuer successfully completes the development of COVIDAX and receive approval from the regulatory authorities, it will not receive product revenue. COVIDAX is unlikely to be available to market before October 2021. Therefore, for the foreseeable future, the Issuer will have to fund all its operations and capital expenditure from the net proceeds of the Offering, cash on hand, and further potential capital raising through equity or debt instruments issuance, if any. If the Issuer runs out of cash and/or financing before starting to generate revenues, the market price of the Offer Shares is likely to decrease and thus investors might be exposed to risk of losing part or all of their investment in the Offer Shares.

The Issuer has a limited operating history and a history of escalating operating losses, which may make it difficult to evaluate the prospects for its future viability

The Issuer is a clinical-stage biotechnology pharmaceutical research company established in 2020 as an opportunity to open the highly restrictive pharmaceutical sector to retail investors amid unprecedented times related to the spread of COVID-19. The Issuer's operations to date have been limited to financing and staffing the company. The Issuer's prospects must be considered in light of the uncertainties, risks, expenses, and difficulties frequently encountered by companies in their early stages of operations. The Issuer has not yet demonstrated an ability to obtain marketing approval, manufacture a commercial scale product, or arrange for a third party to do so on behalf of the Issuer, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, predictions about the future success or viability may not be as accurate as they could be if the Issuer had a longer operating history or a history of successfully developing, obtaining marketing approval for and commercializing pharmaceutical products.

In addition, the Issuer may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown obstacles, the Issuer will eventually need to transition from a company with a research and development focus to a company capable of supporting commercial activities. There is a risk, the Issuer may not be successful in such a transition.

As the Issuer continues to build its business, it expects its financial condition and operating results to fluctuate significantly from quarter to quarter and year to year due. Accordingly, investors face a risk of not being able to completely rely upon the results of any particular quarterly or annual period as indications of future operating performance.

Therefore, lack of successful history with developing, obtaining marketing approval for and commercializing pharmaceutical products, risk of unsuccessful transition from a research and development company to a company capable of supporting commercial activities and expected fluctuations of financial condition and operating results of the Issuer may expose investors to risk of losing part or all of their investment in the Offer Shares due to decrease of the market price of the Offer Shares.

The Issuer expect to incur significant losses for the foreseeable future, and may never achieve profitability

The Issuer has not commercialised any products and have never generated any revenue from product sales.

In addition, the Issuer expects to continue to incur significant additional operating losses for the foreseeable future as it seeks to advance the product through pre-clinical and clinical development, completes pre-clinical studies and clinical trials, seeks regulatory approval and, if it receives regulatory approval, finds a partner to commercialize the product.

In order to obtain regulatory approval of COVIDAX, the Issuer must submit to the regulators results demonstrating that the product candidate is safe for humans and effective for its intended use. This demonstration requires significant research and animal tests, which are referred to as non-clinical or pre-clinical studies, as well as human tests, which are referred to as clinical trials. The costs of advancing product candidates into each succeeding clinical phase tend to increase substantially over

time. The Issuer is unable to accurately predict the timing or amount of increased expenses or when, or if, it will be able to begin generating revenue from the commercialization of COVIDAX or achieve or maintain profitability. As a result, the Issuer expects to continue incurring net losses and negative cash flows for the foreseeable future which may negatively affect market price of the Offer Shares.

The commercialization plans could fail. There is a risk that the Issuer may not be able to find and secure a partner for the commercialization of COVIDAX

Product development and the potential commercialization of COVIDAX will require substantial additional capital. The present business plan is based on the prospect of developing a partnership with a pharmaceutical company that would successfully commercialize COVIDAX. The Issuer plans to grant this partner a worldwide exclusive license in exchange for upfront payments and recurring royalties.

The Issuer faces significant competition in seeking appropriate partners. Whether it reaches a definitive agreement for a partnership will depend, among other things, upon the assessment of the partner's resources and expertise, the terms and conditions of the proposed partnership and the proposed partner's evaluation of a number of factors. As such, there is significant risk that the Issuer will not be able to find a partner and commercialize the product.

Thus, even if the Issuer succeeds in getting COVIDAX through the clinical trials and regulatory approval, the product may ultimately be a commercial failure in absence of pharmaceutical partners, which may ultimately negatively affect market price of the Offer Shares.

The successful commercialization of COVIDAX is to a large extent outside of Issuer's control

The potential to successfully commercialize COVIDAX will depend to large extent on factors such the extent to which governmental authorities and health insurers or other bodies with similar powers and responsibilities establish coverage, adequate reimbursement levels for COVIDAX, or indeed they might make the commercialization difficult if they select other competing products for population-wide vaccination.

It is very likely that the Issuer will seek collaboration to complete the development of COVIDAX. This may be the future sales and distribution partner. There are risks inherent to such a collaboration.

The Issuer will seek to collaborate on the development, as well as the ultimate commercialization of COVIDAX. Failure to obtain or successfully maintain such a collaborative relationship could result in significant delays or could even wholly impair future success of COVIDAX and the Issuer's business.

Data provided by collaborators and others may prove to be wrong and this could delay or harm the Issuer.

There is a risk that the Issuer will heavily rely on information provided by collaborators, third-party vendors, such as CROs, scientists and others that has not been independently verified, which can turn out to be false, misleading or incomplete. This can have material adverse negative effect on Issuer's business.

Even if this Offering is successful, the Issuer will need significant additional funding in order to complete development of, and obtain regulatory approval for, COVIDAX and its commercialization, if approved

The Issuer will require substantial funds to further develop, obtain approval for and commercialize COVIDAX, which is at the date of this Prospectus in the pre-clinical stage. Even after the successful completion of this Offering with estimated net proceeds about EUR 36.25 million, the Issuer will continue to need additional capital, which it may raise through equity investments or debt financings by, for example, strategic investors, strategic alliances, such as joint ventures and licensing arrangements and/or other sources. Additional sources of financing might not be available on favourable terms, if at all. If the Issuer does not succeed in raising additional funds on acceptable terms, it might be unable to complete planned clinical trials or obtain approval of any of our product candidates from the regulatory authorities, and could be forced to discontinue product development.

In addition, attempting to secure additional financing may divert the time and attention of our management from day-to-day activities and harm efforts for COVIDAX development.

Based on the current operating plan, the Issuer believes that the anticipated net proceeds from this Offering and its current cash and cash-equivalents will be sufficient to enable it to fund operating expenses and capital expenditure requirements to enter phase I of the clinical trials, significantly advance the development of COVIDAX, and begin discussions with the prospective commercial partner. This estimate is based on assumptions that may prove to be wrong, and the Issuer could use our available capital resources sooner than it is expected, or raise insufficient funds from this Offering.

Furthermore, changing circumstances could cause the Issuer to consume capital significantly faster than it anticipates, and it may need to spend more than expected because of circumstances beyond the control.

Because the duration and activities associated with the successful development of COVIDAX is highly uncertain, the Issuer is unable to estimate the actual funds required for the development and regulatory approval of the product. The Issuer's future funding requirements, both near and long-term, will depend on many factors, including, but not limited to:

(a) the scope and results of the pre-clinical studies and clinical trials;

(b) the timing of, and the costs involved in, obtaining regulatory approvals;

(c) the costs and timing of changes in the regulatory environment and enforcement rules;

(d) the costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims and other patent-related costs, including any litigation costs and the results of such litigation; and

(e) the effect of competing technological and market developments.

Depending on the business performance, the economic climate and market conditions, the Issuer may be unable to raise additional funds through any sources, in which case it may be forced to discontinue, which would ultimately led to decrease of the market price of the Offer Shares and investors might lose part or all of their investment.

Clinical trials required for COVIDAX are expensive and time-consuming, their outcome is uncertain and, if clinical trials do not meet safety or efficacy endpoints in these evaluations or, if significant delays in these trials occur, the ability to commercialize the product and improve the Issuer's financial position will be impaired

There is a high risk that COVIDAX will not prove effective and safe in humans or that the Issuer does not receive a regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of the product, the Issuer must complete pre-clinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of the product candidates in humans. These clinical trials may not demonstrate consistent or adequate efficacy and safety to obtain regulatory approval to market COVIDAX. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analysis, and many companies that have believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials have nonetheless failed to obtain marketing approval for their products. Any delays in conducting pre-clinical studies or clinical trials may cause the Issuer to incur additional operating expenses resulting in worse financial condition and potentially decrease market price of the Offer Shares.

Furthermore, if the Issuer experiences complications as explained above, such as delays in the commencement or completion of, or the Issuer has to extend or expand, the pre-clinical studies or clinical trials or, if the Issuer terminates a pre-clinical study or clinical trial prior to completion, the commercial prospects of COVIDAX could be negatively affected, and the ability to generate revenues from COVIDAX may be delayed or discounted which may decrease market price of the Offer Shares.

There is a risk that the pre-clinical studies and clinical trials may fail to demonstrate adequately the safety and efficacy of COVIDAX, which could prevent or delay regulatory approval and commercialization

Issuer's only product, COVIDAX is in the pre-clinical stage of development. Notwithstanding the data obtained to date, COVIDAX will require additional clinical and non-clinical development, regulatory review and approval in multiple jurisdictions. Ultimately, COVIDAX may fail to show adequate safety and efficacy at any stage of its further progress.

Success in pre-clinical or earlier clinical trials may not be indicative of results in future clinical trials

Success in pre-clinical studies and early clinical trials does not ensure that later clinical trials will generate the same results or otherwise provide adequate data to demonstrate the efficacy and safety of COVIDAX.

If the regulatory authorities in any of the countries where we seek approval conclude that COVIDAX does not satisfy their requirements or if they find any other concerns with COVIDAX, this can significantly delay our progress or even make it a failure

The Issuer is seeking regulatory approval for COVIDAX in several countries where the regulatory authorities may find COVIDAX inadequate or not fulfilling their requirements in some other respect. This can delay or even ultimately make COVIDAX a failure.

Preliminary data from our pre-clinical studies or later clinical trials that we announce or publish from time to time to inform our investors and the public may not be indicative of future success

Although from time to time, the Issuer may publish preliminary data from its research, these announcement or news updates are inherently subject to risk. One or more of the results achieved and announced may materially change as more data becomes available, or is further critically assessed by various parties, or later as patient enrolment continues and more patient data becomes available. Any negative currently unforeseen changes in the assessment of our results may significantly harm our business and ultimately make COVIDAX a failure.

Dependence on third parties

The Issuer will rely on third parties for the work on the clinical trials, including the manufacture of materials for its research programs, pre-clinical studies and clinical trials, and it is therefore reliant on these third parties, which gives rise to a number of risks, such as that they fail to meet their regulatory requirements, and will be unable to continue in their activity. Any delays caused by these third parties may significantly deteriorate the Issuer's chances to successfully complete the clinical trials and ultimately commercialize the product. It may further cause a significant deterioration in the market price of the Offer shares to the extent that this can be determined.

As of the date of this Prospectus, Issuer relies on, and its research and development is dependent upon AXON Neuroscience SE and its affiliates (the **Axon Group**) with regards to the use of its intellectual property and expertise, as well as its team of senior personnel with an experience in their respective fields.

Furthermore, the Issuer is reliant on several material commercial relationships between Axon Group and third parties, especially in relation to procurement of substances, materials and other services required for Issuer's activity.

There is a risk that changes in methods of product candidate manufacturing or formulation may result in additional costs or delays

It is common that as pharmaceutical product candidates proceed through various stages of the clinical trials, various aspects of the development program, especially the manufacturing methods and formulations, are changed in an effort to optimize the process or for other reasons, including factors related to third-party changes beyond Issuer's control. Any of these changes could cause COVIDAX to perform differently and affect the results of planned clinical trials or other future clinical trials

conducted with the altered materials or other processes. This could delay completion of clinical trials and further progress towards approval of COVIDAX.

Even if COVIDAX receives regulatory approval and enters market, it may fail to achieve market acceptance by physicians, patients, third-party payers, or others in the medical community necessary for its commercial success

If COVIDAX completes all regulatory and clinical steps necessary to be approved by authorities in respective markets, it may nonetheless still fail to gain sufficient market acceptance by physicians, patients, third-party payers and others in the medical community. If COVIDAX fails in this respect, the Issuer may never be able to generate significant product revenues or become profitable.

The Issuer cannot accurately estimate the size of its target market

Section 6.1 of the Prospectus includes Issuer's estimate concerning potential target market for COVID-19 vaccines. There is an inherent risk that any managerial projections, plans or other assessments of the Issuer that has persuaded the Issuer to proceed with COVIDAX ultimately prove wrong or inaccurate. It is, for example, impossible for the Issuer's management to accurately assess the future market for COVIDAX and any projections and assessments it has made are only estimates.

In addition, if the actual market opportunity for COVIDAX is smaller than estimated, or if any approval that the Issuer obtains is based on a narrower definition of the patient population than anticipated, Issuer's revenue and ability to achieve profitability may be materially adversely affected.

Risk of COVID-19 negatively affecting the Issuer's business

COVID-19 has detrimentally many companies and as of the date of this Prospectus there are expectations that in the upcoming months a second wave of COVID-19 may hit Europe more severely. The extent to which the repeated spread of COVID-19 pandemic may affect the Issuer's business, operating and financial results will depend on many evolving factors that the Issuer may not be able to predict accurately, including governmental, business and individual actions that have been and are being taken in response to the pandemic and the impact of the pandemic on the economic activity of the Issuer.

The effects of the pandemic may also negatively affect the Issuer's progress, including the work on the clinical trials and regulatory approvals, which could cause or contribute to risks or uncertainties and could adversely affect the business, financial condition and results of operations of the Issuer.

Developments by competitors may render Issuer's technology obsolete or non-competitive or may reduce the size of its markets

There is a large number of competing candidates for a vaccine against COVID-19, some of which have substantially higher financial and other resources, in an industry that is characterized by fierce competition. Competitors may have or may develop superior technologies or approaches, which may provide them with competitive advantages. There is a risk that COVIDAX may not be able to compete successfully against other vaccines and thus not be able to maximize its potential, which may result in reduced market share and eventually in decrease of the Offer Shares' market price.

Failed or disruptive acquisitions and transactions

In the future, the Issuer may engage in acquisitions or other transactions that could significantly disrupt its operations, the focus on its main activity, as well as they may reduce Issuer's funds or even cause force the Issuer to incur additional debt or assume contingent liabilities. There may be other currently unforeseen risks arising from such acquisitions.

Reputation

The Issuer depends on its reputation and to the certain extent on the reputation of the Existing Shareholder to commercialize COVIDAX. Any material adverse event could impact the Issuer's and/or the Existing Shareholder's reputation, which could, in turn, depress the Issuer's profitability, creditworthiness and fundraising capacity. This, in turn, can affect the desirability of the Offer Shares and their market price.

Risk factors relating to the Issuer's Shareholder

Significant shareholder

Since more than 80% of the share capital in the Issuer is owned by its Existing Shareholder, AXON Neuroscience SE, the Existing Shareholder, its directors and investors may exert dominant influence over the Issuer, and are able to control it, including to control the outcome of shareholder votes.

Legal and regulatory risk factors associated with the Issuer

Even if the Issuer receives regulatory approval for COVIDAX, it will be subject to extensive and costly government regulation

Even if the Issuer receives regulatory approval for COVIDAX, the approval may limit the indicated medical uses for the product, may otherwise limit the ability to promote, sell, and distribute the product, may require that the Issuer has to conduct costly post-marketing surveillance, and/or may require to conduct ongoing post-marketing studies.

Material changes to an approved product, such as manufacturing changes or revised labelling, may require further regulatory review and approval. Once obtained, any approvals may be withdrawn, including; for example, if there is a later discovery of previously unknown problems with the product, such as a previously unknown safety issue.

Compliance with significant changes in regulation and/or legislation in any of the countries which the Issuer considers its primary markets (mainly the U.S., EU and Japan) may result in significant additional requirements that may increase the operating costs of the Issuer's which may significantly negatively affect Issuer's business and ultimately the benefit to investors in this Offering.

Any prospective changes in regulation and/or legislation that may affect the Issuer is inherently unpredictable.

The Issuer aims for commercialization of COVIDAX in several highly developed and regulated target markets. It is reasonable to expect that there will continue to be a number of legislative and regulatory changes that could both negatively affect progress of COVIDAX toward approval, and further even after the approval, significantly increase the expenses of operation and commercialization for COVIDAX.

The Issuer may be unable to obtain patents and thus sufficiently substantiate its intellectual property to enable further progress of COVIDAX. To a large extent the patenting process is outside of control of the Issuer.

As of the date of this Prospectus, the patenting process in relation to COVIDAX has not been finalized. In future, in order to enable successful commercialization of COVIDAX, the Issuer will have to rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property. The Issuer cannot guarantee nor can it exert any control over the patenting process, and there is a significant risk that the patenting process in relation to COVIDAX could fail.

Any third-party claims of intellectual property infringement may delay, harm or completely prevent Issuer's development and commercialization efforts with regards to COVIDAX.

Issuer's commercial success may be significantly negatively affected by infringement, or allegations of infringement of the patents and other proprietary rights of third parties. There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and pharmaceutical sectors, and the Issuer being active in these sectors is heavily exposed to this risk, especially as there may be other larger parties with better resources to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than the Issuer can. In addition, patent holding companies that focus solely on extracting royalties and settlements by enforcing patent rights may target the Issuer.

Several parties may infringe Issuer's patents, trademarks, copyrights or other intellectual property. The Issuer may thus decide to pursue lawsuit to protect its intellectual property, which can significantly delay or even harm the Issuer.

Behaviour and actions beyond control of the Issuer may subject it to lawsuits, which can negatively affect its business and prospects. This may relate to Issuer's employees, as well as other third-parties.

Obtaining and maintaining patent protection is difficult, time-consuming, expensive, and the Issuer may ultimately fail to perform these tasks sufficiently.

Since obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, the Issuer's patent protection could be reduced or eliminated for non-compliance with these requirements. This risk is further exacerbated by the fact that the Issuer may need to perform these tasks in several countries under several patent and other authorities, such as USPTO (United States Patent and Trademark Office), European and other patent agencies.

Issued patents in relation to COVIDAX could be found invalid or unenforceable if challenged in court. This could severely undermine Issuer's business prospects.

The Issuer may find that its patent protection is invalid and/or unenforceable, for example as a result of unsuccessful legal proceeding against a third party in an effort to enforce Issuer's COVIDAX patent.

The Issuer may not be able to protect its intellectual property rights throughout the world

Filing, prosecuting and defending intellectual property in all countries throughout the world could prove to be prohibitively expensive. In addition, Issuer's intellectual property rights in some countries may be less extensive or defendable, and as such the Issuer may choose not to pursue or maintain protection for certain intellectual property in certain jurisdictions. A situation may occur that Issuer's competitors may use its technologies in jurisdictions where COVIDAX has not obtained patent or other intellectual property protection.

Issuer's business and operations, its current and future relationships with investigators, healthcare professionals, consultants, third-party payers, patient organizations and customers will be subject to applicable healthcare regulatory laws, which could expose Issuer to significant penalties.

Issuer's business and operations may be subject to additional healthcare regulation applicable in various countries where the Issuer aims for commercialization of COVIDAX, such as the U.S., and this can expose the Issuer to several penalties.

Issuer is subject to other regulation and legal obligations, particularly related to privacy, data protection and information security, as well as consumer protection laws and other legal obligations. An actual or perceived failure to comply with such obligations could harm and exposure the Issuer to sever penalties.

The Issuer is subject to diverse laws and regulations relating to data privacy and security and consumer protection, such as for example in the EEA, Regulation 2016/679, known as GDPR. New privacy and other individual protection laws may be in force in other countries and may also be enacted in the future, all of which can expose the Issuer to severe penalties in the case of actual or perceived failure to comply with such obligations.

Such a failure can occur on several levels. Third-parties with whom the Issuer works and who have access to its customers', suppliers', trial patients' and employees' private data in relation to which it is responsible will not breach contractual obligations imposed by the Issuer.

If the Issuer raises additional funds by issuing equity securities in the future, then-existing shareholders may experience dilution

Until the Issuer can generate (if at all) substantial revenue and successfully commercialize COVIDAX, it will likely need to finance cash needs through a combination of equity offerings and/or debt financings. To the extent that the Issuer raises additional capital through the sale of equity or

convertible securities, ownership interest of the investors in this Offering will be diluted, to the extent they will not use their pre-emption rights under the Slovak Commercial Code.

Intellectual property rights are difficult and costly to obtain, maintain and protect and the Issuer may not be able to fully ensure the protection of the rights, which may adversely impact its financial performance and prospects

The Issuer faces a risk that third party claims of intellectual property infringement may prevent or delay the development and commercialization efforts of COVIDAX. As a result, the Issuer may not be able to obtain, maintain or adequately protect the intellectual property rights which may ultimately end in COVIDAX not being prepared for effective commercialization. Furthermore, the Issuer may not be able to protect the intellectual property rights throughout the world. If both risks materialise, the market price of the Offer Shares may decrease and investors may lose part of their investments.

The Issuer may be subject to biotechnologically-specific complex litigation which could be costly and time-consuming to defend and could result in additional liabilities

Despite the fact that the Issuer is not aware that it may be a party to any administrative, legal or arbitration proceedings that may have or recently have had a significant effect on its financial position or profitability, it is possible that in the future it could become a party to litigation or proceedings that may have an adverse effect on its economic results. There is a high risk of adverse litigation in biotechnology industry. Such cases against the Issuer could be brought on multiple grounds, including potential patent infringements in situations where a competitor has patents covering the active ingredient, product formulation or an approved use of the pharmaceutical in respect of which COVIDAX is seeking regulatory approval. If it Issuer is being sued, it may result in substantial costs, operationally restrict the Issuer's business, and may divert management's attention and resources, which may seriously harm our business, overall financial condition, and results of operations. It may ultimately led to decrease of the Offer Shares' market price.

The Issuer may conduct clinical trials for COVIDAX in sites outside the United States and Japan, and the local regulatory authorities in these countries may not accept data from trials conducted in foreign locations

A substantial portion of the Issuer's commercialization plan relies on the prospective sales in Japan and the United States. Should the local regulatory authorities deny the Issuer access to these markets, this will significantly impact its commercial potential, as well as the appeal of a COVIDAX license to any potential partner. It may ultimately lead to decrease of the Offer Shares' market price.

Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules

The Issuer must comply with national and international rules and regulations relating to money laundering, anti-corruption, financing of terrorism and know your client (KYC) checks. These rules and regulations have become stricter over the last years and may be further tightened and more strictly enforced in the future. There is also a notable increase in enforcement activities by foreign supervisory bodies, which often exercise their jurisdiction on a cross-border basis. Any violation or suspected violation of these or similar rules by the Issuer may have severe legal, monetary and reputational consequences on the Issuer. This could therefore have a material adverse effect on the Issuer's business, the results of its operations, as well as its financial condition, prospects, and reputation.

Evolving legislation and tax rules in the Slovak Republic can have a material adverse effect on the Issuer

The legal order of the Slovak Republic is subject to significant changes. In many cases, the interpretation and laws are changing continuously, which may result in existing laws and regulations being applied inconsistently or arbitrary and new laws being introduced.

The legal infrastructure and the law enforcement system in the Slovak Republic are less developed compared to those in some western European countries. In some circumstances, it may not be possible to obtain legal remedies to enforce contractual or other rights in a timely manner or at all. The lack of legal certainty or the inability to obtain effective legal remedies in a timely manner or at all may have

a material adverse effect on the Issuer's business, results of activities or financial position. Investors should also be aware that in the Slovak Republic, there are fewer judges who specialise in complex matters such as investments in securities compared to the number of judges in western European countries. Therefore, disputes brought before the Slovak courts may be subject to delays and may not be conducted in a manner similar to more developed legal systems and may, as a result, lead to delays in proceedings or losses on investments.

The Issuer is subject to complex tax regulations that in some cases have only been in effect for a short period of time, are frequently amended and differently enforced. Furthermore, the inefficient collection of taxes may result in new taxes being continuously introduced in an attempt to increase tax revenues. Therefore, there is a risk that the Issuer may be subject to arbitrary and onerous taxation. Taxation of income from intellectual property rights is specifically complex and may lead to uncertainty and increased tax costs.

The risks related to the development and application of the legal and tax systems may have a material adverse effect on the Issuer's financial situation and results of operations, and may affect its ability to meet the obligations under the Offer Shares.

Risk associated with possible bankruptcy (insolvency) proceedings

If the Issuer is not able to meet its due liabilities, its assets may be subject to bankruptcy (insolvency) proceedings. In accordance with EU Regulation (EU) No. 2015/848 of 20 May 2015 on insolvency proceedings (the **Insolvency Regulation**), the court with jurisdiction to initiate insolvency proceedings in respect of a company is a court of a member state of the European Economic Area, excluding Denmark, in whose territory the centre of main interests of the company lies (as this term is defined in Article 3(1) of the Insolvency Regulation). Determining the centre of main interests of a company is a matter of fact to which the courts of different EEA Member States may have different and even conflicting views. As far as the Issuer is aware, at the date of the Prospectus no definitive decisions have been taken in any proceedings before the European Court of Justice on issues of the interpretation or effect of the Insolvency Regulation throughout the European Union. For these reasons, should the Issuer face financial problems, it may not be possible to foresee with certainty under which law or laws the bankruptcy or similar proceedings would be initiated and conducted.

Risk factors relating to the Issuer's operations, internal controls and IT systems

Risk of loss of key scientific or management personnel

The Issuer is highly dependent on its top management and human resources that are shared with broader Axon Group. Due to the specialized knowledge each of these people possess with respect to internal operations, strategic plans, as well as the research and development itself, the loss of any of them without relevant replacement could lead to significant delay, or even complete failure of COVIDAX.

Risk of losing suppliers and problems with recruiting qualified professionals

The Issuer does not have multiple sources of supply for some of the components used in COVIDAX, and certain suppliers are critical to the production for the purposes of the clinical trials and research. If the Issuer loses a supplier, it could have a material adverse effect on the ability to complete the development of COVIDAX. If the Issuer obtains regulatory approval for COVIDAX, its commercial partner would need to expand the supply of its components in order to commercialize the product.

If the Issuer loses key management or scientific personnel, cannot recruit qualified employees, directors, officers or other significant personnel or experiences increases in compensation costs, its business may materially suffer, which may result in decrease of the Offer Shares' market price.

Technological infrastructure risks

The Issuer's activities depend on the use of the Existing Shareholder's (or broader Axon Group's), as well as third party's IT technologies, which may be adversely affected by a number of issues such as hardware or software malfunction, physical damage to important IT systems and/or computer viruses.

The Issuer's activities also depend on sharing of Axon Group's management and IT infrastructure and the infrastructure of third parties managing the Issuer's administrative and accounting activities. Possible failure of some elements or the whole of these infrastructures may have a negative impact on the financial and economic situation of the Issuer, its profitability and Offer Shares' market price.

2.2 Risk factors relating to the Offer Shares and the Offering

Risk factors relating to the Offer Shares have been classified into the following categories:

(a) *risk factors relating to nature of the Offer Shares;*

(b) *legal and regulatory risk factors relating to the Offer Shares; and*

(c) *risk factors relating to Offering.*

Risk factors relating to nature of the Offer Shares

The Offer Shares have no attached voting rights

The Offer Shares are priority shares (in Slovak: *prioritné akcie*). Such shares under Slovak law bear priority right to distribution of dividends, if the Issuer decides on their distribution. On the other hand, the Offer Shares bear no voting rights in the general meetings of the Issuer and hence the holders of the Offer Shares will have very limited right to participate in the management of the Issuer.

The Offer Shares do not guarantee any dividend distributions

The Offer Shares are priority shares (in Slovak: *prioritné akcie*) which bear right to certain preferential payments of dividends in circumstances described in section 7.1 of the Prospectus. However, there is no legal or any other guarantee that the Issuer will generate any distributable profits and even if it does, that it will be decided on the distribution of dividend and will be paid. The Offer Shares do not guarantee any dividend pay-outs and in adverse circumstance, there may be no dividends declared and paid at all.

Immediate dilution of the investment due to the Offering Price exceeding the net asset value

The Offering Price is significantly higher than the Issuer's net asset value at the time of the audited interim financial statements immediately before the Offering divided by the number of shares. As such, by buying shares in this Offering the investors accept immediate dilution of their investment.

Exchange rate fluctuations may impact the price and the value of the Offer Shares, as well as any dividends or other income paid on the Offer Shares for an investor whose principal currency is not EUR

The Shares are denominated in EUR. An investment in the Offer Shares by an investor in a jurisdiction that is not part of the euro area (the Eurozone), where the official currency is euro, exposes the investor to foreign currency rate risk. Any depreciation of EUR in relation to such foreign currency will reduce the value of the investment in the Offer Shares or any dividends in foreign currency terms. Further, the Issuer may declare and distribute dividends or other income, if any, in EUR. Exchange rate movements of EUR will therefore affect the value of such dividends or other income for investors whose principal currency is not EUR. This could affect the value of the Offer Shares and of any dividends or other income paid on the Offer Shares for an investor whose principal currency is not EUR.

Legal and regulatory risk factors relating to the Offer Shares

If the Issuer become subject to insolvency, investors may recover less than their initial investment or may not be able to recover any amounts at all

In the event of insolvency of the Issuer, the Offer Shares would rank behind any debt claims against the Issuer in respect of any distributions made in the relevant proceedings and no distribution would be made in respect of the Offer Shares unless all claims ranking senior to the Shares are satisfied. Thus, in the event of insolvency of the Issuer investors may recover less than their initial investment or may not be able to recover any amounts at all.

The rights of minority shareholders will be governed by the laws of the Slovak Republic, whose corporate governance standards differ from those of other jurisdictions.

The Issuer is a joint stock company organised under the laws of the Slovak Republic. The rights of holders of the Offer Shares are governed by the Issuer's Articles of Association and by Slovak law. These rights, including the rights of minority shareholders, may differ in some respects from the rights of shareholders in corporations organised outside of the Slovak Republic. Thus, it may be difficult for investors to prevail in a claim against the Issuer under, or to enforce liabilities predicated upon, the securities laws of jurisdictions outside of the Slovak Republic.

Capital gains from the sale of the Offer Shares may be subject to Slovak income tax.

The disposal of the Offer Shares generally results in the recognition of a capital gain or loss equal to the difference between the sale price and the acquisition costs. Capital gains realized upon disposal of Offer Shares by a Slovak tax resident or a Slovak permanent establishment of a Slovak tax non-resident should be subject to Slovak income tax. In addition, capital gains arising on a sale of Offer Shares by a Slovak tax non-resident may be subject to tax in the Slovak Republic, depending on the tax residency status of the buyer of the Offer Shares and other relevant criteria, unless relief is provided pursuant to an applicable double tax treaty. See section 10, headed "*Taxation and foreign exchange regulation*".

Risk factors relating to the Offering

The Offer Shares will be issued in certificated form and their delivery will be in person

Issued Offer Shares will have form of certificates (physical pieces of paper) and as a rule the Offer Shares will not be delivered to the shareholders via post or otherwise. The Offer Shares will be delivered by the Issuer or relevant financial intermediary to each investor only in person. Those investors who will not be able to accept the Offer Shares in person will be bound to agree with their Offer Shares to be held in custody with the Issuer. There is a risk arising out of this circumstance that an investor will not be able to transfer any Offer Shares before acquiring the certificated Offer Shares as any transfer of the Offer Shares requires physical hand-over and endorsement (in Slovak: *rubopis*) of the Offer Shares.

No trading venue and non-existent market

This Offering is for certificated Offer Shares in the Issuer, which will not be admitted to a regulated market, nor is there an expectation that an active market for them will develop. Therefore, investors will face significant illiquidity and will only be able to realize their gain in limited circumstances, and/or from dividend income once successful commercialization is achieved (if at all).

The risk of a purchase or sale of the Offer Shares being subject to transaction costs and charges

When the Offer Shares are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Offer Shares. These incidental costs may reduce profit from holding the Offer Shares. To the extent that additional domestic or foreign parties are involved in the execution of an order, including, but not limited to, domestic or foreign brokers, potential investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees). The specific risk is that such additional costs may eventually lower the yield of the investment substantially. Therefore, potential investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Offer Shares before investing in the Offer Shares.

Risk of faults of the online subscription process

The online subscription process on the Issuer’s website may be subject to attacks, or may malfunction; for example, if there is too much traffic and/or investor requests, and this could limit investors’ ability to subscribe for Offer Shares in COVIDAX.

Furthermore, some or all of the technological solutions enabling the online subscription process relies on third parties, such as the domain and cloud provider. Any errors on the part of these third parties may significantly negatively affect the online subscription process and thus demand for Offer Shares.

Credit spread risk

The Offer Shares carry the credit spread risk of the Issuer, which during the life of the Offer Shares could widen, resulting in a decrease in the market price of the Offer Shares. Factors influencing the credit spread include, among other things, the creditworthiness, probability of default and recovery rate. The overall economic situation, the general level of interest rates, overall economic developments and the currency in which the Offer Shares are denominated may also have a negative effect and potential investors should consider all these factors.

3. RESPONSIBILITY STATEMENTS

AXON COVIDAX a. s., with its registered office at Dvořákovo nábrežie 10, Bratislava - mestská časť Staré Mesto 811 02, Slovak Republic, Identification No. (in Slovak: *IČO*): 53 263 375, registered in the Commercial Register of District Court Bratislava I, Section: Sa, File No.: 7164/B, LEI: 097900CAKA0000002788 (the **Issuer**) acting through Mr. Michal Fresser, Chairman of the Board of Directors, Mr. Ladislav Satko, Member of the Board of Directors and Mr. Norbert Žilka, Member of the Board of Directors, represents to be solely responsible for the information provided in the Prospectus.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is up-to-date, complete, and true, in accordance with the facts and this Prospectus makes no omission likely to affect its import.

In Bratislava, on 20 October 2020

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Name: Michal Fresser

Title: Chairman of the Board of Directors

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Name: Ladislav Satko

Title: Member of the Board of Directors

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Name: Norbert Žilka

Title: Member of the Board of Directors

4. DOCUMENTS INCORPORATED BY REFERENCE

The information from the following documents is incorporated by reference into this Prospectus and the Prospectus should be read and construed in conjunction with information from the following document:

(a) The audited interim financial statements of the Issuer prepared in accordance with the Slovak Accounting Standards (SAS) to 7 October 2020 available at the following hyperlinks:

Slovak version: https://covidax.eu/pdf/Covidax_Audit_Report_SVK.pdf

English version: https://covidax.eu/pdf/Covidax_Audit_Report_EN.pdf

The audited interim financial statements referred to above (the **Financial Statements**) shall be incorporated by reference into, and form part of, this Prospectus.

The Financial Statements are available both in the original Slovak language and in English language. The English language versions represent a direct translation from the Slovak language document. The Issuer is responsible for the English translations of the Financial Statements incorporated by reference in this Prospectus and declare that such translation is in all material respects an accurate and not misleading translation of the Slovak language version of the Financial Statements.

Other than in relation to the document which is deemed to be incorporated by reference listed in this section of the Prospectus, the information on the website to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the NBS.

5. STATUTORY AUDITORS

(a) The auditors of the Issuer for the period covered by historical financial information

The Issuer has prepared the Financial Statements (as defined above) for the purposes of this Prospectus. The Financial Statements were audited by BDO Audit, spol. s r. o., with its registered seat at Pribinova 10, Bratislava – mestská časť Staré Mesto 811 09, Slovak Republic, Identification No. (in Slovak: *IČO*): 44 455 526, registered in the Commercial Register of District Court Bratislava I, Section: Sro, File No.: 54967/B, licence of Auditing Oversight Authority (*Úrad pre dohľad nad výkonom auditu*) No. 339, without qualification. The auditor's report is attached to the Financial Statements.

No other information in the Prospectus has been audited.

(b) Replacements of auditors during the period covered by historical financial information

Information about resignation, removal or re-appointment of auditors during the period covered by historical financial information is not applicable and is therefore not stated.

6. INFORMATION ABOUT THE ISSUER

Business name:	AXON COVIDAX a. s.
Registered office:	Dvořákovo nábrežie 10, Bratislava - mestská časť Staré Mesto 811 02, Slovak Republic
Identification No.:	53 263 375
Legal entity identifier (LEI):	097900CAKA0000002788
Date of incorporation and registration:	On 3 October 2020 by its entry in the Commercial Register of the District Court Bratislava I, section: Sa, File No.: 7164/B
Country of incorporation:	Slovak Republic
Term:	The Issuer was established for an indefinite term.
Foundation deed and articles of association:	The Issuer was established as a joint stock company by the Foundation Deed (in Slovak: *zakladateľská listina*) and adopted the Articles of Association (in Slovak: *stanovy*) on 21 August 2020. There are no provisions in the Issuer's Foundation Deed or Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Issuer.
Legal form and laws:	A joint stock company organised and existing under the laws of the Slovak Republic
Share capital:	The Issuer's share capital (in Slovak: *základné imanie*) is EUR 160,000 divided into 160,000 ordinary shares, each share fully paid-up by the Existing Shareholder. The existing shares are certificated (in Slovak: *listinné*) securities in the non-bearer form (in Slovak: *cenné papiere na meno*), with the nominal value of each share being EUR 1.00 (one euro). As part of this Offering, the Issuer will issue up to 40,000 of new preference (*prioritné*) shares, each of which will have a nominal value of EUR 1.00 (one euro). The Offer Shares will represent up to 20% in the Issuer's share capital.

Object:	The Issuer is a legal person established for business purposes (in Slovak: *podnikanie*). The object (in Slovak*: predmet činnosti*) of the Issuer is stated in clause VI of the Foundation Deed of the Issuer.
Principal laws governing the Issuer's activities	The Issuer operates in accordance with the laws of the Slovak Republic, which laws include, without limitation: Act No. 513/1991 Coll., the Commercial Code, as amended; Act No. 40/1964 Coll., the Civil Code, as amended; and Act No. 455/1991 Coll. on Trade Licensing (the **Trade Licensing Act**), as amended.
Phone number:	+421 2 209 21639
Website:	https://www.covidax.eu The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. The information on the website has not been scrutinised or approved by the NBS.

6.1 Business overview

(a) Principal activities

The Issuer is a company founded for the specific purpose of developing a prophylactic and/or immunotherapeutic vaccine against diseases and disorders caused by coronaviruses causing Severe Acute Respiratory Syndrome (SARS), in particular the COVID-19 disease (this vaccine hereinafter as **COVIDAX**), performing clinical trials, continuing the regulatory approval process with authorities in several countries, and ultimately successfully obtaining regulatory approval for COVIDAX and its commercialization. The Issuer may broaden the scope of its research and other related activities for development of other therapeutic agents.

The Issuer will acquire an exclusive, worldwide, sub-licensable (subject to customary conditions when limiting sub-licensing), indefinite (subject to possibility of termination in the case of narrowly defined termination grounds customary to a license of this nature and scope) license under intellectual property at arm's length from the Existing Shareholder, AXON Neuroscience SE, to develop, manufacture and commercialize COVIDAX, a tested human product in the field of prophylaxis and/or immunotherapy against diseases and disorders caused by coronaviruses causing Severe Acute Respiratory Syndrome (SARS), in particular the COVID-19 disease. After and subject to the successful completion of clinical trials and regulatory approvals of COVIDAX, the Issuer will be able to seek commercialization of this license by a sale to a sales and distribution partner in exchange for a lump sum payment and annual royalty payments equal to a percentage of its worldwide sales. These licensing arrangements are typical for the pharmaceutical sector.

(b) Principal markets

The Issuer will seek regulatory approvals in a number of target markets with the view to enable its future sales and distribution partner to successfully commercialize COVIDAX on these markets. The Issuer considers that its primary markets will be in the U.S., EU and Japan. It expects that there will be a population-wide vaccination requirement. The penetration rate will be the biggest in the oldest population age group 65+, with a declining speed of spreading and overall occurrence in the lower age groups. The expectation is that a widespread vaccination will be required similarly as with influenza.

The Issuer assumes that the general vaccination rate will never exceed 30% for the 54+ years old population and in lower age population groups will be even lower (25%, 15% and 5%).[1]

The Issuer further expects that there will be a number of competitors with approved vaccines against COVID-19. The Issuer projects three different scenarios: *saturated* (two dominant players own 70% of the market, while 30% of the market share is split between the Issuer and four other competitors), *dominant* (one dominant player has 50% and 50% split between the Issuer and four other competitors) and *equal* (100% market share split across the Issuer and four other competitors). Although the expectation is that the first vaccines against COVID-19 will be available as soon as early 2021, COVIDAX will not enter the market before October 2021. Given the highly regulated character of the vaccine market with centralized procurement and distribution, for simplicity the Issuer assumes that as soon as COVIDAX is approved for the market and prepared for sales, it will be able to assume the market share that is available to it.

The Issuer's own market analysis suggests that there is a probability of successful outright sale of the vaccine either in the process of phase I of the clinical trials or after its successful completion, which may result in a one-off immediate payment to all the shareholders of the Issuer. Alternatively, the Issuer expects that should the Issuer continue with development independently beyond phase I clinical trials, it would attract a strategic investment from one of the large pharmaceutical companies, in order to complete the last phase II & phase III clinical trials.

The Issuer expects to be able to charge a certain price from the date of market entry. This is on the basis that the market entry of COVIDAX is relatively late in October 2021. An indication of potential price of COVID-19 vaccine are prices for vaccines against comparable infectious diseases such as influenza and human papillomavirus (HPV) and pneumococcal conjugate vaccine (PCV). Vaccine prices generally differ per region. Based on data from the World Health Organisation[2] and U.S. Centre for Disease Control and Prevention,[3] the average of prices of vaccines for these diseases vary from USD 30 for EU5 (Germany, France, Spain, Italy and UK) to USD 111 in the United States.

Finally, the Issuer contemplates commercialization of COVIDAX by way of its licensing to a major pharmaceutical company. Based on benchmarks, the Issuer expects that a royalty rate of 11% of worldwide revenues is a reasonable estimate of the royalty rate that can be negotiated in a license agreement for effective COVID-19 vaccine comparable to COVIDAX.[4]

All of the above are estimates of the Issuer and its management, however, any such estimates concerning the market size, the level of competition, the market price of the vaccine and royalty rates are inherently uncertain and completely out of control of the Issuer and its management.

(c) Important events in the development of the Issuer's business

The Issuer is in very early stage of the development of its business. The Issuer as a company was incorporated on 3 October 2020, received initial capital contribution of EUR 160,000 from the Existing Shareholder and plans to acquire at arm's length the exclusive worldwide license for COVIDAX from the Existing Shareholder.

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1 The upper limit of 30% was chosen based on analyst reports for competing COVID-19 vaccine candidates. Source: BMO Capital Markets, George Farmer, PhD, Initiating Coverage at Outperform; Eliminating the Curve, dated 1 May 2020, available at: https://capitalmarkets.bmo.com/en/news-insights/covid-19-insights/research-strategy/initiating-coverage-outperform-eliminating-curve/.

2 Source: World Health Organisation, MI4A: Vaccine Purchase Data, available at: https://www.who.int/immunization/programmes_systems/procurement/mi4a/platform/module1/en/.

3 Source: Centers for Disease Control and Prevention, CDC Vaccine Price List updated on 1 September 2020, available at: https://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/index.html.

4 Source: The royalty rate was estimated based on the Issuer's analysis of comparable licensing agreements in the industry among some of the big pharma companies and smaller biotechnology companies.

(d) Strategy and objectives

The Issuer's mission is to successfully develop first vaccine against COVID-19 owned by "ordinary" people, independent of market and political pressure.

The Issuer estimates the progress in the clinical trials as follows (clinical trials are exposed to a number of risks, for more please see section 2.1 headed "*Risk factors relating to the Issuer*"):

Completion Phase I Clinical Trials – expected on or about 30 March 2021

Completion Phase II Clinical Trials - expected on or about 30 June 2021

Completion Phase III Clinical Trials - expected on or about 30 August 2021

After the successful completion of COVIDAX, and further subject to regulatory approvals, the Issuer plans to earn income for its shareholders by seeking and successfully concluding a commercial partnership. The Issuer plans to find a sales & distribution partner, who would acquire the exclusive worldwide license for commercialization of COVIDAX in exchange a lump sum payment and annual royalty payments equal to a percentage of its worldwide sales. An earlier sale of the Issuer, or alternatively an earlier COVIDAX license to a strategic investor after the completion of initial phases of clinical trials is also considered possible. In this case, the Issuer's shareholders may receive a large lump-sum payment instead.

All of the above is in early stage, there are no details of potential future partners known at the moment. The implementation of the Issuer's strategy is subject to significant uncertainty, as described in Section 2.1 headed "*Risk factors relating to the Issuer*".

It is however Issuer's best intention that in case of failure (for whatever reason) of COVIDAX, the Issuer intends to use the funds raised in this Offering for other research and product development for other treatments and therapeutic agents to achieve successful commercialization

The Issuer is reliant on the intellectual property, expertise and contractual relationship with the companies within the Axon Group. The companies within the Axon Group in turn are reliant on at least two material contracts concerning supply of biotechnological materials.

(e) Investments

Except for acquisition of the exclusive worldwide license for COVIDAX from the Existing Shareholder, no investments have been initiated or completed by the Issuer as of the date of this Prospectus nor have any investments been approved by any of the Issuer's governing body nor has the Issuer committed to any future investments that would be relevant in relation to the Offer Shares.

There are no environmental issues that may affect the Issuer's utilisation of the tangible fixed assets.

In future, the Issuer may engage in acquisitions and / or research and development other than that related to COVIDAX (please see below).

6.2 Organisational structure

(a) Issuer's position within the group

The Issuer has a single shareholder, AXON Neuroscience SE, established and existing under Cypriot law, with its registered office at 4, Arch. Makariou & Kalogreon, Nicolaides Sea View City, 5th Floor, office 406, 6016 Larnaca, Cyprus, registration No.: SE 24 (the **Existing Shareholder**).

The Existing Shareholder owns 100% of the Issuer's shares and holds 100% of the voting rights attached to the shares.

The Issuer has no equity interest in any other person.

(b) Organisational structure of the group

Major shareholders

AXON Neuroscience SE, the Existing Shareholder

Controlling persons

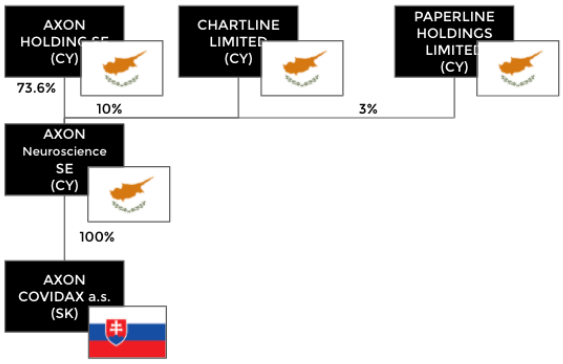
The Existing Shareholder is directly owned by:

(i) AXON HOLDING SE, established and existing under Cypriot law, with its registered office at 4, Arch. Makariou & Kalogreon, Nicolaides Sea View City, 5th Floor, flat 506, 6016, Larnaca, Cyprus, registered in the registry maintained by the Ministry of Energy, Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver Nicosia, Cyprus, registration No.: SE19, owning 73,60% of the Existing Shareholder's shares and holding 73,60% of the voting rights attached to the shares of the Existing Shareholder;

(ii) CHARTLINE LIMITED, established and existing under Cypriot law, with its registered office at Athinidorou, 3, Dasoupoli, Strovolos, Nicosia, Cyprus, owning 10,00% of the Existing Shareholder's shares and holding 10,00% of the voting rights attached to the Existing Shareholder's shares;

(iii) PAPERLINE HOLDINGS LIMITED, established and existing under Cypriot law, with its registered office at Katalanou 1, 1st floor, Flat/Office 101, 2121, Aglantzia, Nicosia, Cyprus, owning 3,00% of the Existing Shareholder's shares and holding 3,00% of the voting rights attached to the Existing Shareholder's shares.

As to the date of this Prospectus, the direct shareholder structure of the Issuer is in the following diagram:



The ultimate beneficial owner and controlling person of the Existing Shareholder (and ultimate beneficial owner and controlling person of the Issuer) is Mr. Boris Krehel', resident of the Slovak Republic. This is by virtue of his holding 100% of the shares and voting rights in PAPERLINE HOLDINGS LIMITED, which owns 99,995% of the registered capital and voting rights in AXON HOLDING SE.

6.3 Trend information

(a) The most significant recent trends in production, sales and inventory and costs and selling prices

The Issuer is not aware of any significant recent trends in production, sales and inventory, and costs and selling prices since the date of its last audited financial statements to the date of the Prospectus.

(b) Information on any trends, uncertainties, demands, commitments or events that will have a material effect on the Issuer's prospects

The key trend for the Issuer is the development of the COVID-19 pandemics, demand for vaccination and the Issuer's capacity to develop and commercialize COVIDAX, its key and only product. These trends involve inherent risks and uncertainties as described in section 2.1 headed "*Risk factors relating to the Issuer*".

Issuer is not aware of other trends, obligations or events that might have a significant impact on the prospects of the Issuer for the subsequent accounting period.

6.4 Profit forecasts or estimates

No profit forecast or estimate

The Issuer has not included either a forecast or estimate of its profits in the Prospectus based on its past financial results, nor has it prepared or published any such forecast or estimate as of the date of the Prospectus.

Indication of potential revenues and profits of a vaccine comparable to COVIDAX

The estimations concerning the market size for COVID-19 vaccine, level of competition and market shares, prices of COVID-19 vaccines and achievable royalty rates specified in section 6.1 of the Prospectus can be extrapolated to calculate potential revenues generated a vaccine comparable to COVIDAX. When coupled with (a) an estimation of research and development costs about EUR 50 million for development of similar vaccine[5], (b) estimated total operating expenses about EUR 6 million over the period of ten years and (c) corporate income tax rate of 21%, a vaccine comparable to COVIDAX could generate annual free cash flows (assuming no upfront payments) starting from EUR 66 million in 2022 growing to EUR 117 million in 2030.

Discounting the sum of these cash flows over the period of ten years (until 2030) by the 79% risk of failure during the initial phase (based on internal analysis of the Issuer comparing similar businesses and projects in the past) and annual weighted average costs of capital of approximately 10%, the present value of a vaccine comparable to COVIDAX could be about EUR 113 million. This is based on conservative mid value estimates of the vaccine prices and *dominant* competitive scenario. The value of similar project could be however significantly higher (up to EUR 400 million), but also significantly lower or even negative. Negative scenarios involve loss of part or whole invested capital.

All assumptions about factors relevant for this indication are exclusively outside the influence of the Issuer and its management.

All uncertain factors – i.e. the market size for COVID-19 vaccine, level of competition and market shares, prices of COVID-19 vaccines, achievable royalty rates as well as estimation of costs for research and development and operating expenses for development of similar vaccine could materially change the outcome of the above indication.

[5] Source: Lancet Glob Health 2018; 6: e1386–96, available at: https://www.thelancet.com/pdfs/journals/langlo/PIIS2214-109X(18)30346-2.pdf.

The above is not a forecast or estimate of the Issuer's profits, because it is not comparable with the past performance of the Issuer under the Financial Statements due to effectively no operating and financial history of the Issuer. Also, no such indication can be held consistent with the Issuer's accounting policies, as it is not specifically related to the Issuer and the Issuer in any case has not historic financial information.

6.5 Administrative, management and supervisory bodies and senior management

(a) General Information

The Issuer is a joint stock company established and existing under the laws of the Slovak Republic. The executive statutory bodies of the Issuer is the board of directors (in Slovak: *predstavenstvo*). The supervisory body of the Issuer is the supervisory board (in Slovak: *dozorná rada*).

No member of the administrative, management or supervisory bodies nor the founder or senior manager of the Issuer has been for the previous five years:

(i) convicted in relation to fraudulent offences;

(ii) involved in any bankruptcies, receiverships, liquidations or companies put into administration;

(iii) publicly incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies); or

(iv) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

(b) Members of the administrative, management, and supervisory bodies

Members of the Board of Directors of the Issuer

The Board of Directors (in Slovak: *predstavenstvo*) is the executive statutory body of the Issuer. It is entitled to act on behalf of the Issuer in all matters and represents the Issuer in respect of third parties, in court proceedings and before other bodies. The Board of Directors direct the Issuer's activities and decides on all Issuer's matters unless the laws or statutes reserve this for other bodies of the Issuer. In particular, the Board of Directors carries on the business management of the Issuer, ensure all its operational and organizational matters, convene the general meeting of the shareholders (the **General Meeting**), execute the resolutions of the General Meeting, secure the maintenance of the prescribed accounting and other records, business books and other documents of the company, maintain the list of shareholders, appoint and revoke power of attorney, issue additional written powers of attorney, submit proposals for resolutions to the General Meeting, in particular proposals for amendments to the statutes, proposals for any increase or reduction of share capital and bond issues, proposals for the approval of formal financial statements, extraordinary financial statements, the distribution of profits made, including the determination of the amount, the method of payment of dividends and royalties, the proposal for the payment of losses and any proposal for the dissolution of the Issuer.

The Board of Directors submits to the General Meeting a report on the results of the business activities, the business plan and the financial budget and annual report.

The Chairman of the Board of Directors and each Deputy Chairman of the Board of Directors are authorised to act independently in the name of the Issuer. At least two Members of the Board of Directors are authorised to act jointly in the name of the Issuer. Members of the Board of Directors are elected and recalled by the General Meeting. The term of office of a member of the Board of Directors is not determined.

As of the date of this Prospectus, the Chairman of the Board of Directors is Mr. Michal Fresser and the Members of the Board of Directors are Mr. Ladislav Satko and Mr. Norbert Žilka. The contact address of the Chairman of the Board of Directors and the Members of the Board of Directors is the address of the registered office of the Issuer.

Information about the Chairman of the Board of Directors and the Members of the Board of Directors as of the date of this Prospectus are as follows:

Mgr. Michal Fresser

Title	Chairman of the Board of Directors
Date of the current term of office expiration:	Not determined
Period of serving in the office:	Since the establishment of the Issuer.
Education, practice, other relevant information:	Michal Fresser first joined AXON Neuroscience SE in 2013 as a board member and general counsel. Prior to his arrival at AXON Neuroscience SE, Michal Fresser had established a career in both legal advisory and consulting. There, he covered multiple sectors, gaining extensive knowledge on mergers and acquisitions, cross-border transactions, and both corporate and competition law. Since joining AXON Neuroscience SE, he has been appointed as Chief Executive Officer of AXON Neuroscience SE in 2019, while he also serves as Chairman of the Board of Directors of Axon's two subsidiaries – Axon Neuroscience CRM Services SE and Axon Neuroscience R&D Services SE and as Director of Axon Holding SE. Michal Fresser holds a Master's degree in Law from Pan-European University in Bratislava. At present, Michal Fresser is a director and sole shareholder in company DAYTONA s. r. o.

Ing. Ladislav Satko

Title	Member of the Board of Directors
Date of the current term of office expiration:	Not determined
Period of serving in the office:	Since the establishment of the Issuer.
Education, practice, other relevant information:	Ladislav Satko has over fifteen years' experience leading finance and operations for international businesses. In 2003, Ladislav Satko worked in a financial role for a European construction business. Following this, he was Head of Finance for one of the largest central European publicly traded real estate companies. In November 2011 he was appointed as Chief Financial Officer of AXON Neuroscience SE, where he is responsible for financial, human resources and IT matters at the company. Ladislav Satko is also Member of the Board of Directors of Axon Neuroscience R&D Services SE and Member of the Board of

	Directors of Axon Neuroscience CRM Services SE as well as Chief Financial Officer of the Axon Group. Ladislav Satko holds a Master's degree in Business Administration from the Economic University in Bratislava.

Norbert Žilka, PhD.

Title	Member of the Board of Directors
Date of the current term of office expiration:	Not determined
Period of serving in the office:	Since the establishment of the Issuer.
Education, practice, other relevant information:	Norbert Žilka has been with AXON Neuroscience SE since its establishment in 1999. He has played a key role in guiding discoveries and has helped transform portfolio of products, which eventually led to his appointment as chief scientific officer in 2015. He is also Member of the Board of Directors of Axon Neuroscience R&D Services SE. He has co-authored the project Synaptic Dysfunction in Alzheimer's Disease (Marie Curie Innovative Training Network). In addition, he serves as the national coordinator and Chairman of the Neuroscience session at the first Frontiers of Science Meeting. He holds a PhD in Immunology from the Slovak Academy of Sciences (SAS) and is an associate professor at the Institute of Neuroimmunology at SAS. Mr Žilka may leave the position on the Board of Directors in coming months due to his appointment into a public function. However, he will continue to serve the Issuer on a consultancy basis and his position on the board of the Issuer will be filled by another sufficiently skilled scientific officer.

Members of the Supervisory Board of the Issuer

The Supervisory Board is the supreme control body of the Issuer. It oversees the performance of the Board of Directors and the conduct of the Issuer's business. Where the Issuer's interests so require, the Supervisory Board shall convene a General Meeting. The Supervisory Board verifies procedures in relation to the Issuer and is entitled to inspect accounting documents, files and records relating to the Issuer's activity at any time and to determine the status of the Issuer. The Supervisory Board examines the due financial statements, extraordinary financial statements and any proposal for profit distribution or loss settlement, and is required to report the results of such review to the General Meeting.

The Issuer's Supervisory Board has three members. The Member of the Supervisory Board is elected and recalled by the General Meeting. The term of office of the Members of the Supervisory Board is five years.

As of the date of this Prospectus, the Chairman of the Supervisory Board is Mr. Mario Hoffman and the Members of the Supervisory Board are Mr. Boris Kreheľ and Mr. Vojtech Parrák. The contact address of the Chairman of the Supervisory Board and the Members of the Supervisory Board is the address of the registered office of the Issuer.

Information about the Chairman of the Supervisory Board and the Members of the Supervisory Board as of the date of this Prospectus are as follows:

Mario Hoffmann

Title	Chairman of the Supervisory Board, since 21 August 2020
Date of the current term of office expiration:	21 August 2025
Period of serving in the office:	Since the establishment of the Issuer.
Details of relevant management expertise and experience:	Mario Hoffmann looks back at a long career in finance, starting in the mid-90s, when he co-founded one of the first brokerage companies in the Slovak Republic. Later, Mr. Hoffmann managed several investment and private funds, while he has also restructured and grown to great success one of Slovakia major commercial banks. Mr. Hoffmann's academic credentials come from a study of electrical engineering in the Slovak Republic. At present, Mr. Hoffmann acts Chairman of the Board of Directors in ISTROKAPITAL, a. s., Member of the Board of Directors in ISTROKAPITAL SE, Chairman of the Supervisory Board in companies AXON Neuroscience SE, EB2G a. s. a ENERGOCHEMICA SE and as Member of the Supervisory Board in companies AXON Neuroscience CRM Services SE and AXON Neuroscience R&D Services SE.

Ing. Boris Kreheľ

Title	Member of the Supervisory Board, since 21 August 2020
Date of the current term of office expiration:	21 August 2025
Period of serving in the office:	Since the establishment of the Issuer.
Details of relevant management expertise and experience:	Boris Kreheľ served in a large variety of managerial and executive positions, gaining a significant experience in financial controlling and planning, structuring and corporate optimization, as well general and senior management. Mr. Kreheľ studied cybernetics at the STU in the Slovak Republic. At present, Mr. Kreheľ acts as Member of the Board of Directors in companies Axon Holding SE, ENERGOCHEMICA SE, ENERGOCHEMICA TRADING a.s., FORTISCHEM a.s. and EB2G a.s., as Chairman of the Supervisory Board in Chemko, a.s. Slovakia and as Member of the Supervisory Board in companies Axon Neuroscience SE, Axon Neuroscience R&D Services SE, Axon Neuroscience CRM Services SE, ENERGOCHEMICA CZE a.s. and Ekologické služby a. s.

MUDr. Vojtech Parrák

Title	Member of the Supervisory Board, since 21 August 2020
Date of the current term of office expiration:	21 August 2025
Period of serving in the office:	Since the establishment of the Issuer.

Details of relevant management expertise and experience:	Vojtech Parrák is a Doctor of Medicine with many years of experience in both fields of scientific research, medicine, as well as management of numerous academic and healthcare institutions, incl. Chief of Department of Clinical Biochemistry at the City Hospital, Bratislava. Mr. Parrák has co-published large number of recognized scientific papers. At present, Mr. Parrák acts as Member of the Supervisory Board in companies AXON Neuroscience CRM Services SE and AXON Neuroscience R&D Services SE, as director and shareholder in ARiS-Slovakia, spol. s r.o. and as director, liquidator and sole shareholder in MFEC, spol. s r.o.

(c) Founders

The Issuer was incorporated by the Existing Shareholder, Axon Neuroscience SE, as its sole shareholder at the date of incorporation.

(d) Senior management

The members of the Board of Directors will also perform the management duties of the senior management for the Issuer.

(e) Administrative, management and supervisory bodies and senior management conflict of interest

The Issuer is not aware of any potential conflict of interests between the obligations of members of the administrative, management and supervisory bodies and senior management to the Issuer and their private interests or other obligations.

All the members of the Board of Directors and Supervisory Board named above have been appointed by the Existing Shareholder as the sole shareholder and founder of the Issuer. There are no other arrangements or agreements concerning appointment of administrative, management and supervisory bodies.

There are no restrictions between administrative, management and supervisory bodies, the founder and senior management on the disposal within a certain period of time of their holdings in the Issuer's securities. However, currently the members of the administrative, management and supervisory bodies and senior management to the Issuer hold no shares in the Issuer.

(f) Remuneration and benefits

As the Issuer was incorporated only on 3 October 2020 and as of the date of this Prospectus it has no subsidiaries, the requirement to disclose remuneration paid and/or benefits granted by the Issuer to persons in section 6.5 of the Prospectus for the last full financial year is not applicable.

The Issuer has not set side or accrued amounts to provide for pension, retirement or similar benefits. The Issuer has no obligations to do so in the future.

(g) Board Practices

No person listed in section 6.5 of the Prospectus entered into any service contract with the Issuer providing for benefits upon termination of employment.

The Issuer has not set up an audit committee nor remuneration committee because it is not subject to such requirements under applicable law.

The Issuer complies with the applicable corporate governance regime under the laws of the Slovak Republic. As the Issuer is not and will not be a public joint stock company and its shares will not be

traded on any regulated market, it is not and will not be subject to any specific corporate governance codes or rules.

Except as discussed in relation to Mr Žilka, there are no proposed or contemplated material changes concerning the management or supervision of the Issuer.

6.6 Employees

(a) Number and breakdown of employees

As to the date of the Prospectus, the Issuer has no employees.

(b) Shareholdings and stock options

As to the date of the Prospectus, no Member of the Board of Directors and/or Member of the Supervisory Board of the Issuer owns Offer Shares and/or options over Offer Shares in the Issuer.

(c) Description of arrangements involving the employees in the capital of the Issuer

As to the date of the Prospectus, there are no arrangements involving the employees in the capital of the Issuer.

6.7 Major shareholders

(a) Control of the Issuer

The Issuer is controlled by the Existing Shareholder, indirectly by Axon Holding SE and ultimately by Mr. Boris Krehel'.

The Existing Shareholder holds 100% of the voting rights in the Issuer and will maintain the 100% voting rights in the Issuer even after the Offering, because the Offer Shares have no voting rights attached.

(b) Arrangements resulting in change of control

There are no arrangements, currently known to the Issuer, the operation of which may, at a subsequent date, result in a change of control of the Issuer.

6.8 Related party transactions

The Issuer has not entered into any loan agreements nor guarantees of any kind with its related parties or otherwise.

The Existing Shareholder will transfer the exclusive worldwide license for COVIDAX to the Issuer under specific license or similar agreement.

The Issuer further is reliant on the intellectual property, expertise and contractual relationship with the companies within the Axon Group. In particular, the Issuer is reliant on these contractual relationships:

(a) Service agreement with Axon Neuroscience CRM;

(b) Service agreement with Axon Neuroscience R&D; and

(c) Manufacturing agreement with Axon Neuroscience SE.

In future, as the Issuer progresses in the clinical trials and further toward the commercialization of COVIDAX, there is a plan to make the Issuer independent of these relationships.

The companies within the Axon Group are reliant on material contracts with several third parties as well.

6.9 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

(a) Historical financial information

The Issuer is not obliged to prepare consolidated financial statements as well as financial statements in accordance with the International Financial Reporting Standards (IFRS). For the purposes of this Prospectus, the Issuer has prepared an audited interim financial statements to 7 October 2020 in accordance with the Slovak Accounting Standards (SAS) (the **Financial Statements**).

The Financial Statements are incorporated by reference into this Prospectus as referred in section 4 of the Prospectus and are available in a designated section of the Issuer's website https://www.covidax.eu/, section "*Documents*".

(b) Dividend policy

The Issuer has not set up any policy on dividend distributions and/or any restrictions thereon.

(c) Legal and arbitration proceedings

As at the date of this Prospectus, the Issuer is not and has never been a party to a legal dispute, arbitration or administrative proceeding which would be significantly related to its business, results of operation or financial condition. The Issuer is not aware of any such potential proceedings.

(d) Significant change in the Issuer's financial position

Since the date of the Financial Statements, no transactions have been made that could result in a significant overall change affecting the Issuer's assets, liabilities and revenues, greater than 25% with respect to one or more its business.

There have been no material changes in the financial or trading position of the Issuer since the date of the Financial Statements.

Since 7 October 2020, i.e. the date on which the last audited interim financial statements were prepared, there has been no adverse change in the financial or business situation of the Issuer that would have a material adverse effect on the financial or business situation, future operating results, cash flows or the overall prospects of the Issuer.

(e) Operating results

The Issuer has no operating history and therefore, no comments can be made on past results of its operation. There are no significant factors, unusual or infrequent events or new developments materially affecting the Issuer's income from operations.

6.10 Capital resources

The Issuer has been incorporated by the Existing Shareholder, which has subscribed in 100% of its share capital for the amount of EUR 160,000, which comprised the initial source of funds for the Issuer to continue in the early stages of development of COVIDAX, and to undertake this Offering. The

Issuer is free to use this initial source of funds, and there are no restrictions placed on the Issuer with regards to this initial source of funds.

As of the date of this Prospectus, the Issuer has not issued any bond or other debt instrument nor has it taken on debt from any bank or other financial institution.

It is expected that as a result of this Offering, the Issuer will obtain new source of funding to complete the development and regulatory approvals of COVIDAX, as well as to successfully find a sales and distribution partner for commercialization of COVIDAX.

6.11 Regulatory environment

The Issuer is a joint-stock company incorporated and domiciled in the Slovak Republic. It operates under the laws of the Slovak Republic, in particular the Commercial Code and Trade Licence Act. The Commercial Code also governs the Offer Shares and relationships between the Issuer, Existing Shareholder and its other shareholders, including investors in the Offer Shares.

The Issuer has not obtained any special licences for its operations. Biomedical research and development is generally unregulated activity under Slovak law, except that certain aspects of such activities – mainly clinical trials are subject to specific regulation and permits.

The Slovak and European regulation pertaining to clinical trials includes in particular:

(a) Directive 2001/20/EC of the European Parliament and of the Council of 4 April 2001 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use, and any laws, regulations and administrative provisions implementing this directive in the Member States. The directive sets out basic rules on the conduct of clinical trials in the EU.

(b) Regulation (EU) No 536/2014 of the European Parliament and of the Council of 16 April 2014 on clinical trials on medicinal products for human use, and repealing Directive 2001/20/EC.

The regulation will replace directive 2001/20/EC and provides more detailed and comprehensive rules on the conduct of clinical trials in the EU.

The regulation is not yet in effect. Its entry in effect depends upon full functionality of the EU portal and the EU database, which was initially expected to take place in 2017. However, the date has been postponed several times. The most recent estimate made by the competent European authority from June 2020 expects the entry into force of the regulation in December 2021.

(c) Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use, and any laws, regulations and administrative provisions implementing this directive in the Member States.

The directive sets out, among other, the framework under which medicinal products may be placed on the market in the EU.

In addition to the above regulations, local laws, regulations and administrative provisions apply in any jurisdiction, in which a clinical trial will be conducted, i.e. including jurisdictions outside the EU.

Any country (and any jurisdiction within a country), in which a clinical trial takes place, may adopt their own rules governing conduct of clinical trials in its territory. For countries that are also Member

States of the EU, these rules must be consistent with the applicable European legislation (such as the directives and regulations listed above).

Finally, the Issuer is subject to complex tax regulations that in some cases have only been in effect for a short period of time, are frequently amended and differently enforced. Furthermore, the inefficient collection of taxes may result in new taxes being continuously introduced in an attempt to increase tax revenues. Therefore, the Issuer may be subject to arbitrary and onerous taxation. Taxation of income from intellectual property rights is specifically complex and may lead to uncertainty and increased tax costs.

Apart from the above, the Issuer is not aware of any particular governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, its operations.

6.12 Material contracts

The Issuer is reliant on the intellectual property, expertise and contractual relationship with the companies within the Axon Group, as described in section 6.8 headed "*Related party transactions*".

The companies within the Axon Group in turn are reliant on at least two material contracts concerning supply of biotechnological materials. These contracts however are entered into ordinary course of business of Axon Group and they are, in terms of their nature, common in the pharmaceutical sector.

As at the date of this Prospectus, the Issuer nor any member of the Axon Group is not party to any other material contract.

6.13 Rights attached to the ordinary shares in the Issuer held by the Existing Shareholder

As at the date of this Prospectus, the Issuer has issued 160,000 ordinary shares with nominal amount of EUR 1.00 (one euro). All these shares, representing 100% of the registered (share) capital and voting rights in the Issuer are held by the Existing Shareholder. Each ordinary share of the Issuer gives its holder (i.e. the Existing Shareholder) the right to, *inter alia*:

(a) receive dividends if any when declared by the Issuer;

(b) receive an amount of the Issuer's liquidation balance after fulfilment of its obligations to creditors, proportionate to their shareholding;

(c) attend and vote at any General Meeting, submit proposals at General Meetings, take part in discussions;

(d) request certain information and explanations, including copies of certain documents relating to the business of the Issuer; and

(e) challenge the decisions of the General Meeting in court proceedings subject to conditions set out in the Slovak Commercial Code.

7. INFORMATION CONCERNING THE OFFER SHARES

7.1 Essential information

(a) Working capital

In the opinion of the Issuer, the working capital is sufficient for the Issuer's present requirements.

(b) Capitalisation and indebtedness

As of the date of this Prospectus, the Issuer has not issued any bond or other debt instrument nor has it taken on debt from any bank or other financial institution. In future, the Issuer may seek to finance its activities with debt or other debt-like instruments.

(c) Interest of natural and legal persons involved in the issue/offer

The Existing Shareholder has material interest in the success of the Offering to secure further funding of the Issuer (as entity wholly controlled by the Existing Shareholder) for the development and commercialization of COVIDAX. As at the day of this Prospectus, the Issuer is not aware of any other interest of any natural or legal person involved in the Issue which might be essential for the Offering.

(d) Reasons for the offer and the use of proceeds

The net proceeds of the Offering will be used for purposes of development of COVIDAX, for the development of diagnostic solutions for COVID-19, as well as extending the research for diagnostic solutions and therapeutic agents for other infectious diseases, further performing clinical trials for any of these potential product candidates, continuing the regulatory approval process with authorities in several countries, and ultimately successfully obtaining regulatory approval for commercialization.

In future, the Issuer may engage in acquisitions if it considers this to be in its best interest, for example by acquiring a specific technology, substance or other exclusive intellectual property, know how or patents, or else by engaging in acquisition with the aim to obtain certain personnel with unique qualifications that could benefit Issuer's activity. In addition, the Issuer may find it beneficial to use the proceeds to diversify or invest in alternative strand of research, if it considers this to be in its best interest, given a change in the circumstances or other currently unforeseen events.

The estimated net proceeds of the Offering are EUR 36,250,000, assuming total fees and expenses of EUR 3,750,000.

The net proceeds of the Offering very likely will not be sufficient to fully cover the above purposes. Therefore, the Issuer may need additional capital, which it may raise through equity investments or debt financings by, for example, strategic investors, strategic alliances, such as joint ventures and licensing arrangements and/or other sources.

7.2 Information concerning the securities to be offered

(a) Type and the class of the securities and ISIN

The Offer Shares are preferred shares, to be issued in the amount of 40,000 individual shares with the nominal value of each share being EUR 1.00 (one euro) and the total nominal amount EUR 40,000.

The Offer Shares have not been assigned with the International Securities Identification Number (ISIN).

(b) Governing law of the creation of Offer Shares

The Offer Shares are issued under the laws of the Slovak Republic, in particular under Act No. 566/2001 Coll., on securities and investment services, as amended and Act No. 513/1991 Coll., Commercial Code, as amended.

(c) Form

The Offer Shares are certificated securities in the registered non-bearer form (in Slovak: *listinné cenné papiere na meno*).

(d) Currency

The currency of the Offer Shares is Euro (EUR).

(e) Rights attached to the securities

General information

All of the Offer Shares have the same nominal value and grant to their holders identical rights.

Each Offer Share gives its holder the right to, *inter alia*:

(i) the priority right for dividends (if any) when their distribution is proposed by the Issuer and approved for distribution by a General Meeting of the Issuer in accordance with the Articles of Association, in any case, only if the Issuer achieves a positive profit after tax in its respective accounting period, the Offer Shares' holders are entitled to a dividend of 105% of the dividend to be distributed to shareholders holding ordinary shares of the Issuer;

(ii) the right to receive the Issuer's liquidation balance after fulfilment of its obligations to creditors, proportionate to their shareholding;

(iii) the right to attend any General Meeting, submit proposals and take part in discussion at all General Meetings, but no right to vote at a General Meeting (with the exception described below);

(iv) the right to request certain information and explanations, including copies of certain documents relating to the business of the Issuer;

(v) the right to challenge the decisions of the General Meeting in court proceedings subject to conditions set out in the Slovak Commercial Code; and

(vi) the pre-emption right to subscribe for new shares issued by the Issuer.

There are no fixed dates on which entitlement to dividends arise. The entitlement to dividends will arise to each holder of the Offer Shares on the date of decision of the General Meeting of the Issuer on distribution of dividends.

The right to claim a dividend lapses after general limitation period of four years under Slovak law, commencing from the date of decision of the General Meeting of the Issuer on distribution of dividends.

There are no dividend restrictions, however each holder of the Offer Shares with entitlement to the dividends will have to send payment instructions and details to the Issuer in accordance with

instructions specified in the decision of the General Meeting of the Issuer and made available to the investors on the website of the Issuer https://www.covidax.eu.

There are no redemption or conversion provisions attached to the Offer Shares.

Voting rights of Offer Shares' holders

Offer Shares' holders do not have the right to vote at General Meetings of the Issuer with the exception under Section 159(3) of the Slovak Commercial Code, under which the holders of the Offer Shares shall have the voting right as of the date:

(i) of a General Meeting's resolution on non-distribution of dividends to holders of the Offer Shares until the General Meeting resolves on distribution of such dividends; or

(ii) the occurrence of delay in payment of dividends to holders of the Offer Shares pursuant to the General Meeting's resolution until the date of payment of such dividends.

(f) Resolutions, authorisations and approvals by which the securities have been created and issued

On 20 October 2020, the Existing Shareholder, as the single shareholder of the Issuer, in accordance with the applicable laws and the Articles of Association, decided on increase of the Issuer's share capital to the total amount of share capital of EUR 200,000, i.e. by the amount of EUR 40,000.

(g) Issue Date

The Offer Shares will be issued on an ongoing and individual basis during the Offer Period after the payment by an investor of the issue price of Offer Shares subscribed by that investor. The Offer Shares cannot be traded before their issuance and delivery to the investor.

The Board of Directors of the Issuer is entitled to file for registration of the share capital increase with the Slovak Commercial Register only after (i) subscription of all Offer Shares or (ii) the end of the Offering Period (depending on what occurs first), and payment of the 30% of the Offer Price (in Slovak: *emisný kurz*) of the subscribed Offer Shares, in accordance with Section 206(1) of the Slovak Commercial Code.

(h) Transferability

The Offer Shares are freely transferable subject to selling and transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee, including the United States and EEA.

(i) Takeover legislation

There is no takeover legislation applicable to the Issuer as the shares in the Issuer are not and will not be admitted to trading on any regulated market.

(j) Public takeover bids

Since the establishment of the Issuer to the date of this Prospectus, no public takeover bids by third parties in respect of the Issuer's share capital occurred as the Issuer is not a publicly listed company.

8. TERMS AND CONDITIONS OF THE OFFER TO THE PUBLIC

8.1 Conditions, offer statistics, expected timetable and action required to apply for the offer

Amount of Offer Shares

The total nominal amount of the 40,000 pieces of the Offer Shares is EUR 40,000.

The Offer Period and time line of the Offering

The Offer Period shall commence on 28 October 2020 and end at 12:00 p.m. (Bratislava time) on 22 October 2021 (the **Offer Period**).

The Offer Shares will be issued on an ongoing and individual basis during the Offer Period after the payment by an investor of the issue price of Offer Shares subscribed by that investor.

The final results of the Offering are expected to be published on or about 29 October 2021. The final results of the public offer, including the total nominal amount of all issued Offer Shares constituting the Issue, will be disclosed on the Issuer's website https://www.covidax.eu/, section "*Documents*".

The increase of the registered capital of the Issuer is expected to be registered with the Commercial Registry in accordance with Slovak law by 31 December 2021.

The Issuer reserves its absolute right to change all dates and times relating to the Offering, subject to compliance with applicable Slovak legislation and transparent disclosure to the investors on the designated section of Issuer's website https://www.covidax.eu, section "*Documents*".

Subscription process via the Issuer's website

Investors will be approached by the Issuer directly and in particular by means of distance communication. When using the distance communication, an investor can subscribe to the Offer Shares of the Issuer by signing a subscription agreement as part of an online subscription process on the Issuer's website https://www.covidax.eu/. The investor must register on the Issuer's website and complete the subscription form online, including filling out personal information, such as name, address and source of funds, as well as providing a digital copy of the investor's passport (or ID) and proof of address (and in some cases also proof of source of funds, as the case may be), and finally the investor will be asked to undergo an identification 'liveliness' check. The investor will be then asked to select a number of Offer Shares that the investor wishes to purchase, and will be asked to electronically sign the subscription agreement. After the completion of the online subscription process, the investor will be presented with payment instructions. The investor will be asked to pay by direct transfer to the bank account of the Issuer.

The investors have no right to withdraw their subscriptions.

Subscription process via personal contact

The Issuer may approach potential investors also directly by personal contact. Such physical subscription process will be subject to the same rules and conditions, except that the identification procedures and signing of the subscription agreement will be performed through direct communication and paper form documents.

Revocation and/or suspension of the Offer

The Issuer reserves the right to reject any investor on the basis of the results of the KYC checks, and further reserves the right to do so at any stage of the online subscription process, including after the signing of the subscription agreement and completion of the payment, in which case the Issuer will refund the Investor in full minus any transaction and foreign exchange costs (as the case may be). Any such refunds in all cases will be returned to the account from which the payment to the Issuer has been made (and the Issuer has no duty to verify whether such account belongs to the investor or conduct any other verifications).

The Issuer reserves the absolute right to reject or reduce individual subscriptions without providing reasons. Reduction may be caused, in particular, by over-subscription.

The Issuer also reserves the right to suspend or terminate the whole offer at any time during the Offer Period, however, such suspension and termination does not relate to the rights of the investors who already acquired their Offer Shares.

In case of any termination of the Offer or rejection or reduction of an order prior to delivery of the Offer Shares, the Issuer will refund the Investor in full minus any transaction and foreign exchange costs (as the case may be). Any such refunds in all cases will be returned to the account from which the payment to the Issuer has been made (and the Issuer has no duty to verify whether such account belongs to the investor or conduct any other verifications).

The minimum and maximum amount of Offer Shares subscription

The minimum amount for which the Investor will be entitled to subscribe the Offer Shares is set at EUR 1,000 (i.e. the minimum amount of the Investor's order is set per one Share). The maximum amount of the order (i.e. the maximum volume of the nominal amount of the Offer Shares required by an individual Investor) is limited only by the total amount of the nominal amount of the Offer Shares.

Delivery of the Offer Shares

The Offer Shares will be issued on an ongoing and individual basis during the Offer Period after the payment by an investor of the issue price of Offer Shares subscribed by that investor.

The Offer Shares cannot be traded before their delivery to investors. The Offer Shares will be delivered by the Issuer or relevant financial intermediary to each investor only in person. Those investors who will not be able to accept the Offer Shares in person agree with their Offer Shares to be held in custody with the Issuer.

8.2 Plan of distribution and allotment

The Offer Shares will be offered to the public in the Slovak Republic, Poland, Hungary, Czech Republic, United Kingdom of the Great Britain and Northern Ireland, Spain, Federal Republic of Germany, Austria, Netherlands, Italy, Finland, Sweden, Denmark, Romania, Slovenia and Croatia and possibly in other Member States of the EU to all categories of investors, at all times pursuant to the Prospectus Regulation and in compliance with applicable selling restrictions and applicable laws of the particular jurisdiction in which the Offer Shares will be offered. The Offer Shares are offered to all categories of investors, subject to the selling restrictions in section 9 of the Prospectus.

Neither the Existing Shareholder nor the management of the Issuer have the intention to subscribe for the Offer Shares nor there is any person known to the Issuer with the intention to subscribe for more than 5% of the Offer Shares.

There are no specified allotments or distribution plans (in Slovak: *plány distribúcie alebo pridelenia*) or tranches of the Offer Shares reserved for specific jurisdictions or types of investors, whether retail or employees or any other type of investor.

There are no target minimums of individual allotments.

There is no pre-determined preferential treatment to any class of investors.

The treatment of subscriptions or bids is not determined on the basis through which entity such subscription or bid is made.

Orders and subscriptions will be reviewed and accepted based on the time of their receipt.

The Offering will be closed at the earlier of 12:00 p.m. (Bratislava time) on 22 October 2021 or the moment when the total accepted subscription will reach the aggregate Offer Price; the Offering may be however terminated by the Issuer at any time.

Multiple subscriptions are not admitted, any-oversubscriptions will be refused. The Offering will be closed after the sum of received and accepted subscriptions will reach the aggregate Offer Price (i.e. after all Offer Shares will be subscribed).

The investors will be notified of the amounts allotted on an ongoing and individual basis during the Offer Period. Final results of the Offering will be published on or about 29 October 2021. The trading with the Offer Shares will not be possible until the Offer Shares are issued and delivered to the investors.

8.3 Issuer's consent to the use of the Prospectus

The Issuer gives consent according to the Prospectus Regulation to financial intermediaries for offering of the Offer Shares in the Slovak Republic and Czech Republic.

The condition for granting consent to the use of the Prospectus is a written permission of the Issuer using this Prospectus for the purposes of the public offer or final placement of the Offer Shares, which shall specify the financial intermediary to whom the authorization has been granted. The list of relevant financial intermediaries to whom the consent has been granted will be published on the Issuer's website https://www.covidax.eu/, section "*Documents*".

Consent to use of the Prospectus for the subsequent sale or final placement of the Offer Shares has been granted for the entire period of validity of the Prospectus.

NOTICE TO INVESTORS:

In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

8.4 Pricing

The issue and offer price (in Slovak: *emisný kurz*) (the **Offer Price**) for each Offer Share is EUR 1,000 (euro one thousand) for each Offer Share in nominal amount of EUR 1.00 (one euro).

The Offer Price is fixed during the Offer Period and there is no further process for its disclosure.

Investors who purchase the Offer Shares through a financial intermediary may be required to pay fees associated with acquiring the Offer Shares according to the financial intermediary's fee list as applicable on the date of the transaction.

The Existing Shareholder has waived its pre-emption right to purchase the Offer Shares. The basis for the Offer Price and the reason for waiving the pre-emption right is the need to raise sufficient capital to achieve the goals of the Issuer from external investors.

The managers of the Issuer have not acquired any shares in the Issuer, therefore, information concerning any material disparity of the acquisition price for the managers and the Offer Price is not applicable.

8.5 Placing and underwriting

The Issuer has not mandated any coordinator of the global offer nor entered into any agreement with any entity to underwrite the Offer Shares on a firm commitment basis.

No paying agents nor depository agents have been chosen for any country.

8.6 Admission to trading and dealing arrangements

The Issuer has not applied for admission of the Offer Shares to trading on a regulated market or any other equivalent market and will not do so in the future.

The Offer Shares will not be admitted to trading on any regulated market or any other equivalent market. No other shares of the Issuer are admitted to trading on any regulated market or any other equivalent market.

(a) Intermediaries in secondary trading and stabilisation

No person has a commitment to act as a liquidity provider or market maker during secondary trading.

No stabilisation manager has been appointed in connection with the Offer Shares.

(b) Over-allotment and green shoe options

As to the date of the Prospectus, no over-allotment or green shoe options exist in relation to the Offer Shares.

8.7 Selling securities holders

No person or entity (other than the Issuer) is offering to sell the Offer Shares. There are no lock-up agreements with respect of the Offer Shares.

8.8 Expense of the Offering

The total fees and expenses (including legal, marketing, auditing and distribution costs and software development) payable by the Issuer in connection with the Offering are expected to be between EUR 500,000 to EUR 8,000,000, based on indicative commissions payable by the Issuer to the financial intermediaries and depending on the volume of the Offer Shares placed through the financial intermediaries.

The Issuer will not charge any fees to the investors in connection with subscription of the Offer Shares.

Fees charged by financial intermediaries to whom the Issuer has given the consent to the use the Prospectus and who are not known at the time of approval of the Prospectus, as well as other offer conditions, will be provided to investors by the respective financial intermediary at the time of the offer of the Offer Shares.

8.9 Dilution

Before the Offering, the Issuer's share capital is EUR 160,000, represented by 160,000 shares of EUR 1.00 nominal value, which are wholly owned by the Existing Shareholder, Axon Neuroscience SE. As part of the Offering, the Issuer plans to issue further 40,000 preference (in Slovak: *prioritné*) shares of EUR 1.00 (one euro) nominal value, representing 20% of share capital and 0% of the voting rights in the Issuer.

The Existing Shareholder has waived the pre-emption right to purchase the Offer Shares. Dilution will affect the Existing Shareholder, who will retain 80% share in the share capital and 100% voting rights in the Issuer following the Offering (assuming that all Offer Shares will be subscribed).

At the date of the Financial Statements, the Issuer's net assets comprise cash reserves from the initial share capital contribution by the Existing Shareholder, Axon Neuroscience SE, in total amount of EUR 163,253. The net asset value per share before the Offering is EUR 1.02.

Assuming that all Offer Shares would be issued as at the date of the Financial Statements and assuming the net proceeds of the Offer of EUR 36.25 million, the net asset value per share would be EUR 182.07.

Such net asset value per share would be lower by EUR 817.93 than the Offer Price, representing the immediate dilution for each investor per Offer Share.

In future, the Issuer may seek additional financing by issuing new shares, which can dilute existing shareholders and investors in this Offering (please see section 2.2, headed "*Risk factors relating to the Offer Shares and the Offering*").

9. SELLING RESTRICTIONS

General

The distribution of the Prospectus and the offering, sale and purchase of the Offer Shares in certain jurisdictions is restricted by law. The Offer Shares have not been and will not be registered, permitted or approved by any administrative or other authority of any jurisdiction other than the approval of the Prospectus by the NBS. The Issuer may, at any time after the Prospectus has been approved, request the NBS to notify the approval of the Prospectus to the competent authorities under the Prospectus Regulation of Poland, Hungary, Czech Republic, United Kingdom of the Great Britain and Northern Ireland, Spain, Federal Republic of Germany, Austria, Netherlands, Italy, Finland, Sweden, Denmark, Romania, Slovenia and Croatia and possibly to other Member States of the EU for the purposes of the offering of the Offer Shares to the public in these countries (the Member States where such notification has been made and the Slovak Republic are **Permitted EEA Jurisdictions**).

Therefore, the Offer Shares may be offered in a jurisdiction other than the Permitted EEA Jurisdictions only if the legal regulations of this other jurisdiction do not require the approval or notification of the Prospectus and also subject to the compliance with any and all requirements pursuant to the legal regulations of such other jurisdiction.

Persons who obtain possession of the Prospectus are required to become acquainted with and observe any restrictions that may be relevant to them.

The Prospectus itself does not constitute an offer to sell, or the solicitation of an offer to buy the Offer Shares in any jurisdiction. Each person acquiring the Offer Shares shall be deemed to declare and agree that (i) such person has understood any and all relevant restrictions related to the offer and sale of the Offer Shares which apply to him/her/it and to the relevant form of offer or sale, in particular such specific selling restrictions as set out below; (ii) that such person will neither offer for sale nor further sell the Offer Shares without complying with any and all relevant restrictions which apply to such person and the relevant form of offer and sale; and (iii) prior to further offering or selling the Offer Shares, such person will inform the buyers of the fact that further offers or sales of the Offer Shares may be subject to statutory restrictions in different jurisdictions which must be observed.

In addition to above, all acquirers of the Offer Shares are required by the Issuer to comply with the provisions of all applicable legal regulations (including Slovak legal regulations), where they will distribute, make available or otherwise circulate the Prospectus, including any of its supplements, or other offering or promotional materials or information related to the Offer Shares, always at their own expense and regardless of whether the Prospectus or any of its supplements, or other offering or promotional materials or information related to the Offer Shares are in written, electronic or any other form.

European Union, European Economic Area and UK

In relation to each Member State of the EEA and the United Kingdom (each, a **Relevant State**) other than Permitted EEA Jurisdiction the Issuer has no intention and will not carry out public offering of the Offer Shares in that Relevant State (and each financial intermediary agree with such limitation) except that an offer of the Offer Shares can be made in that Relevant State:

(a) to qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) to fewer than 150 offerees: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(c) in other exempt offers: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares referred to above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

United States of America

The Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

10. TAXATION AND FOREIGN EXCHANGE REGULATION

The tax legislation of the Member State of registration of the investor and of the Member State of registration of the Issuer may affect the income from the Offer Shares.

The holders of the Offer Shares are recommended to consult the provisions of the applicable legal regulations with their own advisers, in particular as regards tax and foreign exchange regulations and regulations regarding social and health insurance applicable in the Slovak Republic and in the countries of their residence, as well as in the countries in which the income on the holding and sale of the Offer Shares may be subject to tax, and the consequences of their applicability. This applies in particular to investors in the public offering of the Offer Shares in such countries, for whom the relevant double taxation treaties are also particularly relevant.

The Issuer will not provide the holders of the Offer Shares with any compensation or gross-up in connection with any tax withholding.

The following summary includes general information regarding the current tax and payment matters of the Slovak legal regulations relating to the subscription, ownership and disposal of the Offer Shares applicable in the Slovak Republic as of the date of this Prospectus and does not purport to be a comprehensive description of all of its aspects. The information provided is subject to change in the applicable legal regulations that may become effective after the date of this Prospectus. This summary does not describe any tax and payment matters under the laws of any other country than the Slovak Republic.

This summary is based on laws effective as of the date of preparation of this Prospectus and may be subject to subsequent change with possible retroactive effects. Investors interested in purchasing the Offer Shares are recommended to seek advice of their legal and tax advisers regarding the tax, levy and foreign exchange law consequences of subscription, sale and holding of the Offer Shares under the tax and foreign exchange laws and social and health insurance laws valid in the Slovak Republic and in the countries of their residence as well as in the countries where the yield from the holding and sale of the Offer Shares may be taxed.

The description below does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities and commodities and certain investment funds) may be subject to special tax regime.

The description below assumes that the person receiving any dividends arising from the holding of the Offer Shares or any income from the sale of the Offer Shares is the beneficial owner of such income, e.g. that person is not an agent or an intermediary who receives such payments on behalf of another person; and in the case of the Slovak tax non-residents - natural persons and legal persons receiving such income, the description below assumes that the recipient of the income is a tax resident in the relevant state and that the tax residency can be proved by a valid tax residency certificate issued by a relevant tax authority.

10.1 Taxation in the Slovak Republic

Under the Slovak Income Tax Act, income of legal person is subject to a 21% rate of tax. A 15% rate of tax is applicable if a legal person achieved an income (revenues) not exceeding EUR 100,000. Income of natural persons is subject to a 19% rate of tax, except for income exceeding 176.8 times the subsistence minimum that is subject to a 25% rate of tax. A 15% rate of tax is applicable if a natural person achieved an income from business activities not exceeding EUR 100,000.

Withholding tax has a rate of 19%; if such income is paid, remitted, or credited to a non-cooperative state taxpayer, a withholding tax rate of 35% shall apply. List of cooperative jurisdictions is published on the website of the Ministry of Finance of the Slovak Republic as of 1st January of a calendar year. Generally, the cooperative states are those with which the Slovak Republic has concluded a double tax treaty or a convention on mutual administrative assistance in tax matters; and at the same time, the state is not a part of the list of non-cooperative jurisdictions published at the EU level.

Income tax on yield

According to the applicable provisions of the Slovak Income Tax Act:

(a) the dividend on the Offer Shares received by a Slovak tax resident, who is a natural person, will be taxed at a 7% withholding tax rate;

(b) the dividend on the Offer Shares received by a Slovak tax non-resident, who is a natural person, will be subject to a 7% withholding tax rate which might be further reduced based on an applicable double tax treaty. In case of a tax resident of a non-cooperative state, a 35% withholding tax rate shall apply;

(c) the dividend on the Offer Shares received by a Slovak tax resident or a Slovak tax non-resident, who is a legal person are generally not subject to tax in Slovakia. In case of a tax resident of a non-cooperative state, a 35% withholding tax rate shall apply.

Because the income tax law may change during the life of the Offer Shares, the dividend on the Offer Shares will be taxed pursuant to the law applicable at the time of its payment.

The Issuer will not provide the holders of the Offer Shares with any compensation or gross-up in connection with any tax withholding.

Income tax on sale

The profit from sale of the Offer Shares generated by a legal person who is a Slovak tax resident or a Slovak permanent establishment of a tax non-resident - a legal person with its registered office outside the territory of the Slovak Republic are included in the general tax base taxed by the applicable corporate income tax rate. Losses from sale of the Offer Shares calculated on a cumulative basis for all Offer Shares sold during a single taxable period are generally not tax deductible, except for specific cases provided by law.

Income (revenues) from sale of Offer Shares by a legal person being a Slovak tax resident or a permanent establishment of a Slovak tax non-resident is exempt from taxation in the Slovak Republic if achieved (i) after 24 or more consecutive calendar months from the acquisition of a direct share of at least 10% in the share capital, and (ii) the legal person performs significant functions in the territory of the Slovak Republic in relation to the Offer Shares, manages and bears the risk connected to the ownership title to the Offer Shares, while having at disposal the needed personal and material equipment necessary for performing these functions.

The income from sale of the Offer Shares generated by a natural person who is a Slovak tax resident is generally included in the tax base for the natural person income tax. It is generally possible to deduct expenses incurred on acquisition of the Offer Shares as well as expenses related to acquisition of the Offer Shares (e.g. brokerage fees). Exemption of income of EUR 500 in total per taxation period should be applicable. A loss from sale of the Offer Shares can only be off-set with the profits from the sale of other shares.

10.2 Foreign exchange regulation in the Slovak Republic

The issuance and subscription of the Offer Shares is not subject to foreign exchange regulation in the Slovak Republic. Foreign holders of the Offer Shares may, subject to certain conditions, purchase funds in foreign currency for Slovak currency (euro) without foreign exchange restrictions and thus transfer amounts paid by the Issuer from Offer Shares from the Slovak Republic in foreign currency.

11. ENFORCEMENT OF PRIVATE CLAIMS AGAINST THE ISSUER

This text constitutes a mere summary of certain provisions of the laws of the Slovak Republic regarding the enforcement of private claims related to the Offer Shares against the Issuer. This summary does not describe the enforcement of claims against the Issuer pursuant to the laws of any other jurisdiction. This summary is based on legal regulations effective as of the date of this Prospectus and may be subject to subsequent amendments (including any retroactive effects). The information contained in this clause is only of a general nature to describe the legal situation. Investors should not rely on this information and are recommended to assess the issues regarding the enforcement of private claims against the Issuer with their legal advisers.

Slovak courts have jurisdiction for the purposes of the enforcement of any private claims against the Issuer related to the subscription or holding of the Offer Shares. All rights and obligations of the Issuer vis-à-vis the holders of the Offer Shares are governed by Slovak law. As a result, there is only a limited possibility of claiming rights against the Issuer in proceedings before foreign courts or pursuant to a foreign law.

The Brussels I Regulation (recast) is directly applicable in the Slovak Republic. Pursuant to the Brussels I Regulation (recast), save for certain exceptions stated therein, judicial decisions issued by judicial bodies in the EU Member States in civil and commercial matters are enforceable in the Slovak Republic, and vice versa, the judicial decisions issued by judicial bodies in the Slovak Republic in civil and commercial matters are enforceable in the EU Member States.

If, for the purposes of the recognition and enforcement of a foreign decision the application of the Brussels I Regulation (recast) is excluded, but the Slovak Republic entered into an international treaty on the recognition and enforcement of court decisions with a certain country, the enforcement of a judicial decision of such country is ensured in accordance with the provisions of the given treaty. If such treaty does not exist, the decisions of foreign courts may be recognised and enforced in the Slovak Republic subject to the terms and conditions set out in Act No. 97/1963 Coll. on Private and Procedural International Law, as amended (the **Slovak Private International Law Act**). According to the Slovak Private International Law Act , decisions of judicial authorities of foreign counties in matters specified in Section 1 of this Act on International Private and Procedural Law, foreign settlements and foreign notarial deeds (jointly the foreign decisions) may not be recognised and enforced if (i) the decided matter falls within the exclusive jurisdiction of the authorities of the Slovak Republic or the authority of the foreign country had no jurisdiction to decide on the matter if the provisions of Slovak law were applied to the assessment of its jurisdiction, or (ii) are not final and enforceable in the country of their issuance, or (iii) do not constitute a decision on the merits, or (iv) by the procedure of the foreign authority, the party to the proceedings against whom should the decision be recognised was deprived of the option to act before this authority, especially if the party was not delivered the summons or the application initiating proceedings; the court does not examine the satisfaction of this term if the foreign decision has been properly delivered to that party and the party did not appeal it or if that party declared not to insist on the examination of this term, or (v) a Slovak court has already validly decided on the matter, or there is an earlier foreign decision on the same matter that was recognised or satisfies the terms of its recognition, or (vi) their recognition would be inconsistent with the Slovak public order.

12. ADDITIONAL INFORMATION

12.1 Advisers in connection with the issue of securities

In connection with the Offering, the Issuer is advised by Mr. George Salapa, the financial adviser to the Issuer, who has been authorised to perform activities associated with structuring of the Offering and advising on technical aspects of the Offering.

When conducting the Offering and preparing this Prospectus, the Issuer used the services of Allen & Overy Bratislava, s.r.o. as legal adviser to the Issuer solely in respect of Slovak law.

12.2 Audit of information

Apart from the data derived from the Issuer's audited interim financial statements, the Prospectus does not contain information that would be audited. No auditor has audited the Prospectus as a whole.

12.3 Reports by experts and third party information

The Issuer used in section 6.1 headed "*Business overview*", publicly available information from following sources:

(a) Steven Paul et al. (2010): "How to improve R&D productivity, In: Nature Reviews, Vol. 9, 203-214;

(b) BMO Capital Markets, George Farmer, PhD, Initiating Coverage at Outperform; Eliminating the Curve, dated 1 May 2020, available at: https://capitalmarkets.bmo.com/en/news-insights/covid-19-insights/research-strategy/initiating-coverage-outperform-eliminating-curve/;

(c) World Health Organisation, MI4A: Vaccine Purchase Data, available at: https://www.who.int/immunization/programmes_systems/procurement/mi4a/platform/module1/en/;

(d) Centers for Disease Control and Prevention, CDC Vaccine Price List updated on 1 September 2020, available at: https://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/index.html; and

(e) Lancet Glob Health 2018; 6: e1386–96, available at: https://www.thelancet.com/pdfs/journals/langlo/PIIS2214-109X(18)30346-2.pdf.

The Issuer confirms that third-to party information has been accurately reproduced and to the best knowledge of the Issuer, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer, however, cannot guarantee accuracy and correctness of such reproduced information.

The Prospectus does not contain any statement or report attributed to a person acting as an expert.

12.4 Assessment of the investment

Each potential investor should responsibly consider (or together with its advisers) any investment in the Offer Shares. It is particularly necessary for the investor to:

(a) have enough knowledge and experience in order to reasonably evaluate the Offer Shares, advantages and risks of investment to the Offer Shares and information contained in the Prospectus, information referred to in the Prospectus, and any supplement thereto;

(b) have enough information concerning the investment, as well as the ability to assess the information in context of its own financial situation and impact of that investment on its own existing portfolio;

(c) have enough funds to withstand an eventual negative development of risk factors concerning the Issuer or the Offer Shares;

(d) be aware that if a loan or credit is used to finance the purchase of the Offer Shares, it may happen that the cost of such a loan or credit may exceed the yield earned from Offer Shares; potential investor should not presume that they will be able to repay loan or credit and relevant interest from the earnings from investment in the Offer Shares;

(e) fully understand the conditions of the Offer Shares, know the relevant financial indicators and their possible development together with the development of financial markets; and

(f) be able to assess the possible scenarios of economic development, development of interest rates and other factors which may have an impact on his/her/its investment and ability to bear the associated risks.

12.5 Forward looking statements

Some statements in this Prospectus may be deemed to be "forward-looking statements". Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. The Issuer uses the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "may", "are expected to", "could", "will", "will continue", "should", "would be", "seeks", "approximately", "estimates", "predicts", "projects", "aims" or "anticipates", and other similar expressions to identify forward-looking statements. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding the Issuer's business and management, the Issuer's future growth or profitability and general economic and regulatory conditions and other matters affecting the Issuer.

Forward-looking statements reflect the Issuer's current views of future events. They are based on the Issuer's assumptions and involve known and unknown risks, uncertainties and other important factors that could cause circumstances or the Issuer's results, performance or achievements to be materially different from any future circumstances, results, performance or achievements expressed or implied by such statements. The occurrence or non-occurrence of an assumption could cause the Issuer's actual financial condition and results to differ materially from, or fail to meet expectations expressed or implied by, such forward looking statements. The Issuer's business is subject to a number of risks and uncertainties that could also cause a forward looking statement, estimate or prediction to become inaccurate.

Forward-looking statements speak only as at the date of this Prospectus. Accordingly, except as required by the Prospectus Regulation and other applicable regulations, the Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, or persons acting on the Issuer's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Offer Shares should not place undue reliance on these forward-looking statements.

12.6 Warnings

Certain values included in the Prospectus have been subject to rounding adjustments. This also means that values given for the same information item may slightly differ at different places and that values given as a sum of certain values do not necessarily have to be an arithmetic sum of the values on which they are based.

No person is entitled to provide any information or make any statement in relation to the Issuer, Offering or sale of the Offer Shares that is not contained in this Prospectus or other publicly available document.

When giving information from internal estimates and analyses, the Issuer used all its reasonable care, however, the Issuer may not guarantee the accuracy of this information. Any assumptions and prospects regarding the future development of the Issuer, its financial situation, scope of its business activities or its market position may not be deemed representations or binding promises given by the Issuer regarding the future events or results because these future events and results are determined by

circumstances and events that the Issuer may not, fully or partially, influence. Investors who are interested in subscribing the Offer Shares should carry out their own analyses of any development trends or prospects given in this Prospectus and base their investment decision on the results of these separate analyses.

Potential investors should make their own assessment as to the suitability of investing in the Offer Shares. Investing in the Offer Shares involves significant risks. For a discussion of certain risks and other factors that should be considered in connection with an investment in the Offer Shares, see section 2 headed "*Risk factors*".

The NBS only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or an endorsement of the quality of the Offer Shares that are the subject of this Prospectus. This Prospectus does not describe all of the risks of an investment in the Offer Shares, even though the Issuer believes that all material risks relating to an investment in the Offer Shares have been described.

13. DOCUMENTS AVAILABLE

The following documents are available free of charge in electronic form on the designated section of the Issuer's website https://www.covidax.eu, section "*Documents*":

(a) the Prospectus and each supplement to the Prospectus (if any);

(b) the Issuer's Foundation Deed and consolidated Articles of Association;

(c) the decision of the General Meeting of the Issuer on increase of the registered capital and issue and offering of the Offer Shares dated 20 October 2020;

(d) the audited interim financial statements of the Issuer to 7 October 2020 in accordance with SAS; and

(e) for the term of validity of the Prospectus, all documents from which information is incorporated in the Prospectus by reference.

The information on the Issuer's website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. **The information on the website has not been scrutinised or approved by the NBS.**

14. GLOSSARY

Axon Group means AXON Neuroscience SE and its affiliates.

Bankruptcy Act means Act No. 7/2005 Coll., on bankruptcy and restructuring, amending and supplementing certain acts, as amended.

Brussels I Regulation (recast) means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), as amended.

Civil Code means Slovak Act No. 40/1964 Coll. Civil Code, as amended.

Commercial Code means Act No. 513/1991 Coll., Commercial Code, as amended.

COVIDAX means a prophylactic and/or immunotherapeutic vaccine against diseases or disorders caused by coronaviruses causing severe acute respiratory syndrome (SARS), in particular the COVID-19.

Delegated Regulation on Prospectus means Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

EEA means the European Economic Area.

EU means the European Union.

EUR or **euro** means the legal currency of the Slovak Republic.

Existing Shareholder means AXON Neuroscience SE, established and existing under Cypriot law, with its registered office at 4, Arch. Makariou & Kalogreon, Nicolaides Sea View City, 5th Floor, office 406, 6016 Larnaca, Cyprus, registration No.: SE 24.

General Meeting means the general meeting of the Issuer' shareholders.

IFRS means International Financial Reporting Standards.

Insolvency Regulation means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings.

Issuer means AXON COVIDAX a. s., a company organised under the laws of the Slovak Republic, with its registered office at Dvořákovo nábrežie 10, Bratislava - mestská časť Staré Mesto 811 02, Slovak Republic, Identification No. (in Slovak: *IČO*): 53 263 375, registered in the Commercial Register of District Court Bratislava I, Section: Sa, File No.: 7164/B.

KYC means Know Your Client.

MiFID II means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended, including all its statutory instruments and implementations into the relevant national law.

NBS means the National Bank of Slovakia as the competent authority of the Slovak Republic pursuant to Section 120(1) of the Securities Act for the purposes of the Prospectus Regulation.

Offering means a public offering of up to 40,000 newly issued preferred certificated shares of the Issuer in the non-bearer form, each share with a nominal value of EUR 1.00 (one euro) per share, comprising up to 20% of the share capital of the Issuer as of the date of this Prospectus.

Offer Period means period commenced on 28 October 2020 ending at 12:00 p.m. (Bratislava time) on 22 October 2021 during which the Offer Shares will be subject to the public offer.

Offer Price means offer price for each Offer Share amounting to EUR 1,000 (euro one thousand) for each Offer Share in nominal amount of EUR 1.00 (one euro).

Offer Shares means 40,000 newly issued preferred certificated shares of the Issuer in the non-bearer form, each share with a nominal value of EUR 1.00 (one euro) per share, comprising up to 20% of the share capital of the Issuer as of the date of this Prospectus.

Permitted EEA Jurisdictions has its meaning given to it in section 9 of the Prospectus.

Prospectus means this prospectus dated 20 October 2020.

Prospectus Regulation means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

Relevant State has its meaning given to it in section 9 of the Prospectus.

SAS means the Slovak Accounting Standards.

Securities Act means Act No. 566/2001 Coll., on securities and investment services, as amended.

Slovak Income Tax Act means the Act No. 595/2003 Coll. on Income Tax, as amended.

Slovak Private International Law Act means Act No. 97/1963 Coll. on Private and Procedural International Law, as amended.

Trade Licensing Act means Act No. 455/1991 Coll. on Trade Licensing, as amended.

USD means the lawful currency of the United States of America.

U.S. means the United States of America.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

ISSUER

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