Biosergen

IPO 2021

INVITATION TO SUBSCRIBE FOR UNITS IN BIOSERGEN AB

IMPORTANT INFORMATION | Please note that this document is not an offering and shall only be read as an introduction to the prospectus and that any decision to invest in Biosergen AB ("Biosergen" or the "Company") shall be based on the prospectus (the "Prospectus"). The Board of Biosergen has prepared the Prospectus in connection with the upcoming offering (the "Offering"). The Prospectus is available on Biosergen's website, www.biosergen.net. Translution Capital is financial advisors and DNB is acting as issuing agent in connection with the Offering. The Prospectus contains, among others, a presentation of Biosergen, the Offering and the risks associated with an investment in Biosergen and participation in the Offering. The information brochure is not intended to replace the Prospectus as a basis for decisions to subscribe for units in Biosergen and does not constitute a recommendation to subscribe for units in Biosergen. Investors who want or are considering to invest in Biosergen are encouraged to read the Prospectus.

Translution Capital

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BACKGROUND

Fungal infections kill more than 1.5 million people every year and the number is rising. Yet the world is still underinvesting in new antifungal drugs. Three classes of molecules are currently used in clinical practice, just one of which was developed in the last 30 years. Only one new antifungal product has been approved in the last 10 years.

Biosergen's antifungal drug candidate, BSG005, is the fruit of a groundbreaking effort over the last two decades by SINTEF (one of Europe's largest independent research organisations) and the NTNU (Norges Teknisk-Naturvitenskapelige Universitet in Trondheim, Norway) to develop an improved version of Nystatin, a naturally occurring fungicidal chemical in the bacterial strain Streptomyces noursei. Work that to date has been published in more than 20 international peer reviewed scientific publications.

BSG005 has been shown to have a broad spectrum of action, not least against Azole and Echinocandin resistant Aspergillus and Candida strains. At similar dose levels, the drug demonstrates a three to four times in vivo potency advantage over new liposomal formulations of Amphotericin B, the current standard of care for patients not responding to Azole and Echinocandin treatment. With this product profile BSG005 will fill the need for a product that offers fungicidal efficacy against a broad range of fungal strains. BSG005 appears to be without the gaps due to resistance development seen in other antifungals and is safe without dose limiting side effects. Most importantly, in the standard toxicological 28-day GLP studies it lacks the severe kidney toxicity seen with Amphotericin B formulations. Biosergen is not aware of any other antifungal on the market or in development with a similar profile.

The proceeds of the Offering will be used to complete phase I and advance BSG005 into proof-of-concept clinical phase II trials. The full clinical program for BSG005 including phase III is designed to lead to the filing of an NDA (New Drug Application) for sales and marketing approval with the United States FDA (Food and Drug Administration) by the end of 2025. The Company has applied for orphan drug status for BSG005 on the basis that less than 200,000 patients per year are expected to be treated with the drug against invasive Aspergillosis in the United States. The Company pursues a similar strategy with the European Medicines Agency (EMA) and submitted the orphan application this month. BSG005 will initially be targeted towards the high-need, high-cost segment and will be priced at a premium over the existing less effective Azole and Echinocandin products as well as Amphotericin B lipid solutions. The Company expects that the worldwide annual sales potential of BSG005 could exceed USD 500 million.

USE OF PROCEEDS

The proceeds of the Offering will be applied – in prioritized order – to the Company's strategic objectives under the following headlines:

- **Complete a Phase I trial for BSG005 with top line data in Q1 2022 (approximately 45%)**
  An application to initiate a phase I trial in Australia was submitted to the Australian authorities in April 2021. The phase I trial is a dose escalation study in up to 72 healthy male volunteers. The Company considers the Phase I trial particularly important because one of the key clinical parameters of BSG005 is its safety. The Company expects the trial to recruit the first subject in Q3 2021 and to be able to report top line results from the trial by Q1 2022.

- **Advance BSG005 into phase II by Q2 2022 (approximately 45%)**
  The Company expects to submit the application to initiate phase II trials by Q1 2022. The phase II program is planned to include three to four trials of 35 patients each, with the aim of documenting the clinical efficacy and securing the full indication profile of BSG005 in the field of invasive fungal infections. The Company expects to be able to report the first top line data from the first trial by Q2 2023.

- **Further advance BSG005 Nano towards clinical trial readiness (approximately 10%)**
  In December 2019, the Research Council of Norway awarded Biosergen a NOK 9.3 million grant for the project Nanoformulated anti-fungals. The grant covers approximately half of the NOK 20 million budgeted for the project, which is designed to lead to a clinical-trial-ready nanoformulation of BSG005 by Q3 2023.

If the Oversubscription option is exercised and the warrants of series TO1 lead to additional proceeds up to SEK 140 million before deduction of costs, the Company will utilise those additional proceeds to move rapidly into phase III trials following the completion of the phase II program in 2023.

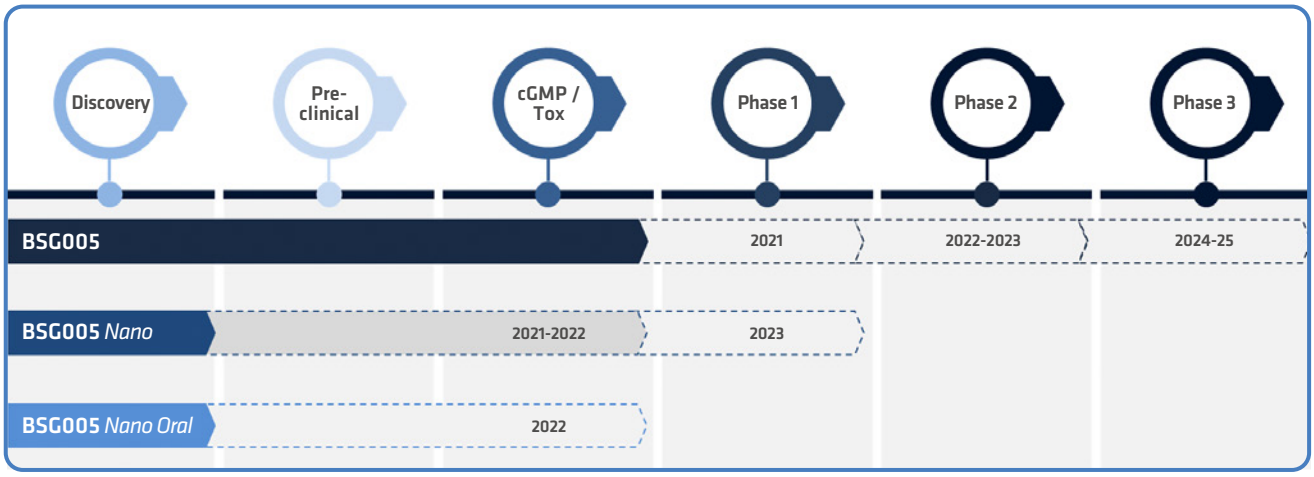
VISION AND MISSION OF THE COMPANY

It is Biosergen's mission to develop BSG005, including any derivatives and novel formulations of this compound, into the new first line treatment choice for invasive fungal disease, to save thousands of lives every year while generating significant returns to the Company's shareholders. The Company intends to achieve its mission through a combination of academic and commercial excellence, strategic partnerships and highly experienced leadership. Biosergen's vision is to emerge over the next five years as a leading international biotechnology company in the global fight against fungal infections, building its own commercial infrastructure and strong partnerships with pharmaceutical companies, key opinion leaders, NGOs and government agencies all over the world.

BUSINESS MODEL

Biosergen is a No-Research-Development-Only biopharmaceutical company, meaning that the Company intends to employ the vast majority of its financial and organisational resources on clinical development. The Company's continuing research activities will be conducted in collaboration with its academic partners and will be sought funded whenever possible through public grants from Norwegian, European or other international sources, whereas most of its general and administrative functions are outsourced. In time, the Company will establish the limited sales and marketing infrastructure necessary to cover specific regions, first and foremost Europe and the United States, and otherwise form strategic partnerships with pharmaceutical and biotechnology companies when relevant to commercialise its products.

BIOSERGEN'S PIPELINE



Biosergen's research and development pipeline is built around different formulations of the same novel and patented chemical compound, BSG005. The intravenous formulation of BSG005 has reached a late preclinical stage and is comparable to other currently existing treatment regimens for severe systemic fungal infections.

BSG005 Nano is a novel nano formulation developed at SINTEF which specifically target the lungs where many systemic fungal infections are first established. BSG005 Nano will also be administered intravenously.

BSG005 Nano Oral is also a nano formulation but is meant to be administerede orally, as a pill. With BSG005 formulated as a pill, rather than as an intravenous drug, the versatility of the drug would greatly expand (for instance for follow up treatments in the patient's own home after surgery).

SUMMARY OF THE OFFERING

- The Offering consist of no more than 5,000,000 Units. Each Unit consists of one (1) share and one (1) warrant of series TO1 (Together "Units").
- The subscription price is SEK 10 per Unit, corresponding to SEK 10 per share and a company valuation of SEK 231 million before the Offering. The warrants are issued free of charge.
- Upon full subscription of the Offering, the Company will receive SEK 50 million before costs related to the Offering.
- The Offering includes an oversubscription option of an additional 2,000,000 Units (the "Oversubscription Option"). The Oversubscription Option will only be exercised in full, and only if the Offering is more than 50% oversubscribed. If the Oversubscription Option is exercised, the Company will receive an additional SEK 20 million before costs.
- Each warrant of series TO1 entitles the holder to subscribe for one (1) share in the Company during the period from May 30, 2022 through June 10, 2022. The subscription price for the subscription of shares through the utilization of the warrants is SEK 20 per share.
- If all the warrants are exercised, the Company may receive up to an additional SEK 100-140 million, depending on whether the Oversubscription option was exercised or not. Hence, the total proceeds to the Company from the Offering and the Oversubscription Option could amount up to SEK 210 million before costs.
- Östersjöstiftelsen, the Company's largest shareholder has entered into a conditional subscription undertaking to subscribe up to SEK 20 million on a krona-for-krona basis with any new investors subscribing in the Offering. The three members of the Company's senior management team have committed to subscribe for approximately SEK 1 million.
- All the Company's existing shareholders have agreed to be locked up for a period of six (6) months after the completion of the Offering.
- The Offering will not be carried out and the listing of Biosergen AB:s shares will not take place if less than SEK 30 million is raised in the Offering.
- The prospectus is available from May 19, 2021 and is passported to Denmark and Norway from May 20, 2021. The subscription period runs from May 21 through June 4, 2021.
- The new shares will be issued under the ISIN code SE0016013460. The warrants of series TO1 will be issued under ISIN code SE0016013478. The first day of trading in the shares and warrants on Nasdaq First North Growth Market is expected to be June 24, 2021.

SUBSCRIPTION OF UNITS

Subscription of Units can take place during the period May 21, 2021 to June 4, 2021, both days included. Subscription is made by completing and signing the subscription form that is available on the Company's website www.biosergen.net. The completed subscription form shall be received by DNB no later than 3.30 p.m. on June 4, 2021. Scanned registration forms are accepted.

Nordnet clients in Sweden, Norway and Denmark can subscribe through Nordnet's webservice. Subscription is made via Nordnet's webservice and can be submitted during the subscription period from May 21, 2021 up to and including 11:59 p.m. on June 4, 2021.

Custody account holders at Avanza can subscribe for Units via Avanza's online services during the period May 21, 2021 up to and including 11:59 p.m. on June 4, 2021.