Biosergen

INVITATION TO SUBSCRIBE FOR UNITS IN BIOSERGEN AB

Admission to trading on Nasdaq First North Growth Market in Stockholm

Distribution of this prospectus and participation in the offering are subject to limitations in certain jurisdictions, see "*Important information*".

This prospectus was approved by the Swedish Financial Supervisory Authority on May 19 2021. In accordance with article 12.1 of Regulation (EU) 2017/1129 of the European Parliament and the council, this prospectus is valid until and including May 19 2022, provided that the prospectus is completed by any supplement required pursuant to article 23 of the above-mentioned regulation. The obligation to make supplements to a prospectus in the event of new significant factors, errors or material inaccuracy, ceases at the end of the validity of the prospectus.

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

Translution Capital

IMPORTANT INFORMATION TO INVESTORS

Definitions
Unless otherwise specified, the following definitions apply in this Prospectus: **Biosergen**, **the Company** or **the Group** refers to the issuer Biosergen AB, registration number 559304-1295, and where applicable, the company group of which Biosergen AB is the parent company. **Subsidiary** refers to the wholly owned Norwegian subsidiary Biosergen AS, registration number NO 987622075. The Subsidiary owns 100% of the Australian subsidiary Select Pharma Pty Ltd. The research and development activities described in this Prospectus refer to the activities of the Norwegian operational entity Biosergen AS. The **Offering** refers to the invitation to the general public in Sweden, Norway and Denmark to subscribe for units ("**Units**") in Biosergen. **Euroclear** refers to Euroclear Sweden AB. **Translution Capital** refers to Translution Capital ApS, Copenhagen. **DNB Sweden** refers to DNB Bank ASA, filial Sverige 105 88 Stockholm, SWEDEN, registration number 516406-0161 which act as issuing agent.

Approvals
This prospectus (the "**Prospectus**") has been prepared as an EU Growth Prospectus under Article 15 under the Prospectus Regulation (EU 2017/1129) ("**Prospectus Regulation**"). The Swedish Financial Supervisory Authority ("**SFSA**") has approved the Prospectus as the competent authority in accordance with Article 20 of the Prospectus Regulation. The SFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as endorsement of the issuer or the quality of the securities that are subject to the Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Prospectus has been translated to English. Only the Swedish Prospectus has been subject to the SFSA's scrutiny and approval. In the event of discrepancy between the Prospectus and the translation of the Prospectus, the Prospectus shall prevail. The Company has also applied that the Prospectus shall be passported to Norway and Denmark. The prospectus is governed by Swedish law. Any dispute or conflict arising in connection with the Prospectus and related legal matters shall be settled exclusively by Swedish courts. The Prospectus is available on the Company's website www.biosergen.net, the SFSA's website www.fi.se and DNB's website www.dnb.se.

No public offer is made to the general public to subscribe for Units in any country other than Sweden, Norway and Denmark. In other member states in the European Economic Area, an offer to subscribe for new securities in Biosergen can only be made by qualified investors under the exemption in the Prospectus Regulation. This Prospectus is only being distributed to and only directed at persons who (i) are outside the United Kingdom; (ii) have professional experience in matters relating to investments falling within article 19(5) in the Financial Services and markets Act 2000 (Financial Promotion) Order 2005; (iii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order (high net worth entities); or (iv) are persons to whom this Prospectus may otherwise lawfully be communicated (all such persons together being referred to as **relevant persons**. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates, is available only to relevant persons and will be entered into only with relevant persons.

No Units may be offered, subscribed for, exercised or transferred, directly or indirectly in or to Australia, Japan, Canada, the US, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or any other jurisdiction where publication or distribution of the Prospectus would be illegal, require additional registration or other measures besides those required by Swedish, Norwegian, Finnish or Danish law, or otherwise would be in conflict with the rules of such jurisdictions or which cannot be made without application of exemptions in such jurisdictions. Subscription of Units in violation of the restrictions described above may be void. Individuals who obtain copies of the Prospectus are requested by the Company to inform themselves of and observe such restrictions. Any failure to comply with the restrictions described above may result in a violation of applicable securities regulations. Neither the Units or other securities issued by Biosergen have not, and will not be, registered under the U.S. Securities Act of 1933, as amended, or any other securities regulation of any other state or jurisdiction within the U.S. No securities will be offered, sold or otherwise transferred, directly or indirectly, in or into the U.S.

Investment information
An investment in securities is associated with certain risks. When investors make an investment decision, they must rely on their own assessment of Biosergen including applicable facts and risks, prior to making an investment decision, prospective investors should engage their own professional adviser and carefully evaluate and give due consideration to the investment decision. Investors may rely only on the information contained in the Prospectus and any supplements to the Prospectus. No person has been authorised to provide any information or make any statements other than those contained in the Prospectus. If this nevertheless takes place, such information and such statements are not to be deemed as approved by Biosergen and the Company is not responsible for such information or such statements. Neither publication nor distribution of the Prospectus, nor any transactions that take place on the basis of the Prospectus, are to be deemed to implicate that the information in the Prospectus is correct and valid at any other time than the date of publication or that any changes have been made to Biosergen's operations after this date. If any substantial changes are made to the information in the Prospectus such change will be published in accordance with the provisions on supplements to prospectuses as stipulated in the Prospectus Regulation.

Forward looking statements
The Prospectus contains certain forward-looking statements that reflects Biosergen's current views of future events and financial and operational performance. Words such as "intends", "anticipates", "expects", "can", "plans", "estimates" and similar expressions regarding indications or forecasts of future development or trends, and which are not based on historical facts, constitute forward- looking statements. Forward looking statements are inherently associated with both known and unknown risks and uncertainties because they are dependent on future events and circumstances. Forward-looking statements are not a guarantee of future results or developments and actual results may differ materially from these forward-looking statements. Factors that could cause Biosergen's future results and developments to differ from those in the forward-looking statements include, but are not limited to, those described in the section "Risk Factors". The forward-looking statements contained in this Prospectus apply only as the date of this Prospectus. Biosergen does not give any commitments to publish updates or revisions of any forward-looking statements as a result of new information, future events or similar circumstances other than those required by applicable legislation.

Industry and market information
This Prospectus contains market and industry information related to Biosergen's operations and the market on which Biosergen is present. Unless otherwise stated, such information is based on Biosergen's analysis of several different sources, among others medical research publications and statistics from various sources. Descriptions of Biosergen's competitive position are based on Biosergen's own assessment and knowledge of market conditions.

As a general rule, industry and market publications state that, while the information in the publication has been obtained from sources that are deemed to be reliable, the accuracy and completeness of such information cannot be guaranteed. Information in the Prospectus from third parties has been accurately reproduced and, as far as the Company can ascertain through other information published by these third parties, no factual circumstances have been omitted that could render the reproduced information inaccurate or misleading. However, Biosergen has not made any independent verification of the information provided by third parties, so the completeness or accuracy of the information from third parties presented in the Prospectus cannot be guaranteed.

By nature, market information and statistics are forward-looking, subject to uncertainty, may be interpreted subjectively, and may therefore not necessarily reflect actual or future market conditions. Such information is based on market surveys, which in turn are based on selections, subjective interpretations and assessments, including assessments of the types of products and transactions which should be covered by the relevant market, both by those carrying out the surveys and the respondents. As a result, potential investors should be aware of the fact that the financial information, market information, as well as the forecasts and estimates of market information contained in this Prospectus, do not necessarily represent reliable indicators of Biosergen's future performance. The content of Biosergen's website or any third party mentioned herein does not form any part of this Prospectus.

Presentation of financial information
Certain financial information and other information presented in this Prospectus have been rounded to make information easily accessible to the reader. Consequently, the figures in certain columns do not tally with the totals stated. Unless otherwise expressly stated, no information in the Prospectus has been audited or reviewed by Biosergen's auditor. All financial amounts are stated in Swedish krona (SEK) unless otherwise expressly stated. **SEK million** means millions Swedish krona, and **SEK thousand** means thousands Swedish krona. **NOK** means Norwegian krona, **NOK million** means millions Norwegian crowns, and **NOK thousand** means thousands Norwegian crowns. **USD** means US dollars, **USD million** means million US dollars, **USD thousand** mean thousands US dollars. **EUR** means euros, **EUR million** mean millions euros, and **EUR thousand** means thousands euros.

Nasdaq First North Growth Market Stockholm
Biosergen has applied for listing on Nasdaq First North Growth Market Stockholm ("**First North**"). First North is a growth market for small and medium-sized companies, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark and Sweden operated by an exchange within the Nasdaq Group. Companies on First North are not subject to the same rules as companies listed on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to less extensive rules and regulations preferably adapted for smaller growth companies. An investment in a company traded on First North may therefore imply more risk than an investment in a company listed on a regulated main market. All companies whose shares are traded on First North have a Certified Adviser to monitor compliance with rules and regulations. Erik Penser Bank is Biosergen's Certified Adviser.

Biosergen

TABLE OF CONTENTS

DOCUMENTS INCORPORATED BY REFERENCE

Investors should take note of all the information incorporated in the Prospectus by reference and the information to which reference is made should be read as part of the Prospectus. The information given below as part of the following documents shall be deemed to be incorporated into the Prospectus by reference. Copies of the Prospectus and the documents incorporated by reference can be obtained from Biosergen electronically through the Company's website, https://www.biosergen.net/investor/, or received by the Company in paper format at the Company's head office at the address: Fogdevreten 2, 171 65 Solna, Sweden. The parts of the documents that are not incorporated by reference are either not relevant to the investors or the corresponding information is reproduced elsewhere in the Prospectus.

Please note that the information on Biosergen's website, or other websites to which reference is made, is not included in the Prospectus unless this information is incorporated into the Prospectus by reference. The information on Biosergen's website, or other websites referred to in the Prospectus, has not been reviewed and approved by the Swedish Financial Supervisory Authority.

Biosergen AB's financial report 2021-02-26 – 2021-03-31 (audited)	
Income statement	Page 3
Balance sheet	Page 4
Notes	Page 8
The financial report 2021-02-26 – 2021-03-31 can be found on the following link: https://biosergen.net/ /investors/filings	

Biosergen AS's annual report 2019 and 2020 (audited)	
Group income statement	Page 2
Group balance sheet	Page 3
Group statement of changes in equity	Page 15
Group cash flow statement	Page 14
Notes	Page 4-13
Annual report 2019 and 2020 can be found on the following link: https://biosergen.net/investors/filings	

Auditors reports	
Auditors report 2019 and 2020	https://biosergen.net/investors/filings
Auditors report 2021-02-26 – 2021-03-31	https://biosergen.net/investors/filings

FINANCIAL CALENDAR

Report/event	**Expected date**
Interim report for April-June 2021 (Q2)	August 31, 2021
Interim report for July – September 2021 (Q3)	November 30, 2021
Year-end report for January-December 2021	February 28, 2022
Annual report 2021	March 31, 2022
Annual General Meeting 2022	April 28, 2022

SUMMARY

INTRODUCTION

1.1 The securities and ISIN code

The Offering concerns Units comprising of newly issued shares and warrants in Biosergen AB. The new shares will be issued under the ISIN code SE0016013460. The warrants of series TO1 will be issued under ISIN code SE0016013478.

1.2 Company information

Biosergen AB registration number 559304-1295
Företagets adress: Fogdevreten 2, 171 65 Solna, Sverige
Besöksadress: Fogdevreten 2, 171 65 Solna, Sverige
Telefon: +45 2080 2470
Webbplats: www.biosergen.net.
Företagets identifieringskod (LEI): 549300YD2OGUE7BMP925

1.3 Competent authority

This Prospectus was reviewed and approved by Finansinspektionen (Swedish Financial Supervisory Authority) as competent authority under the Prospectus Regulation. The visiting address of Finansinspektionen is Brunnsgatan 3, 111 38 Stockholm. The Postal address is Box 7821, 103 97 Stockholm. The telephone number is (46) 8 408 980 00. The website is www.fi.se.

1.4 Approval of prospectus

The Prospectus was approved by Finansinspektionen on May 19, 2021.

1.5 Introduction and warnings

This summary should be read as an introduction to the EU Growth Prospectus. Any decision to invest should be based on consideration of the EU Growth Prospectus as a whole. Investors could lose all or part of the invested capital.

Where a claim relating to the information contained in the EU Growth Prospectus is brought before a court, the plaintiff investor might under national law of the Member State have to bear the costs of translating this EU Growth Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of the EU Growth Prospectus or where it does not provide, when read together with the other parts of the EU Growth Prospectus, key information in order to aid investors when considering whether to invest in such securities.

KEY INFORMATION ABOUT BIOSERGEN AB

2.1 About the Company

Biosergen AB is a Swedish public limited company incorporated under the laws of Sweden and the Swedish Companies Act (2005:551) (Sw. aktiebolagslagen (2005:551)). Biosergen carries out biopharmaceutical research and development through its Subsidiary Biosergen AS from laboratory facilities in Trondheim, Norway and several other places worldwide. The Board of Directors consists of Torsten Goesch, Lena Degling Wikingsson, Achim Kaufhold, Henrik Moltke, Marianne Kock, Mattias Klintemar and Hanne Mette Dyrlie Kristensen.

Biosergen's management consists of Peder M. Andersen (Chief Executive Officer), Richard Forster (Chief Technical Officer) and Niels Laursen (Chief Financial Officer).

Biosergen is a No-Research-Development-Only company which employs virtually all its organisational and financials resources on clinical development. The Company is developing BSG005, a potentially disruptive antifungal drug which has demonstrated significant safety and potency advantages over competing antifungals. Biosergen initially aims BSG005 towards invasive fungal infections that claim the lives of hundreds of thousands of immune-compromised AIDS, cancer and transplant patients every year. At equal dose levels BSG005 has demonstrated a three-to-fourfold potency advantage against the relevant fungal strains compared to the current standard of care, while being completely free of the kidney toxicity hampering other drugs in its class.

Shareholders

Name	Number of shares	Share of votes and capital
Östersjöstiftelsen	10,323,088	44.69%
Rosetta Capital IV Sarl	8,864,619	38.37%
SINTEF Venture AS	1,872,829	8.11%
Total	**21,060,536**	91.16%
Total number of shares in Biosergen AB	**23,101,775**	100.00%

2.2 Key financial information

The selected financial information for Biosergen, at a group level for Biosergen AS for the financial years ending December 31, 2020 and 2019, respectively (audited) and for the parent company Biosergen AB for the period February 26, 2021 to March 31, 2021 (audited) is summarised below.

Biosergen AS's financial statements have been prepared in accordance with the Norwegian generally accepted accounting principles ("Norwegian GAAP") and has been audited by PricewaterhouseCoopers (PwC). The accounts are prepared in Norwegian kroner and the amounts are given in NOK thousand unless stated otherwise. Biosergen AB's financial report has been prepared in accordance with Swedish generally accepted accounting principles ("Swedish GAAP"), K3, and has been audited by Öhrlings PricewaterhouseCoopers AB (PwC).

Key profit/loss items

		Audited	
Profit and Loss	**Feb. 26-Mar 31, 2021** (SEK)	**FY-2020** (NOK)	**FY-2019** (NOK)
Company	Biosergen AB	Biosergen AS	Biosergen AS
Accounting principles	Swedish GAAP	Norwegian GAAP	Norwegian GAAP
Total operating revenue	-	1,524	1,232
Total operating expenses	-	7,768	6,065
Operating profit or loss	-	(6,244)	(4,833)
Financial income	-	181	253
Financial expenses	-	823	(463)
Net financial income	-	(643)	(210)
Ordinary result before tax	-	(6,886)	(5,043)
Tax on ordinary result	-	-	-
Profit/loss for the period	-	(6,886)	(5,043)

Key balance sheet items

		Audited	
Balance Sheet	**Feb. 26-Mar 31, 2021** (SEK)	**FY-2020** (NOK)	**FY-2019** (NOK)
Company	Biosergen AB	Biosergen AS	Biosergen AS
Accounting principles	Swedish GAAP	Norwegian GAAP	Norwegian GAAP
Current assets	275	4,394	1,380
Cash and cash equivalents	-	617	4,890
Total Assets	275	5,011	6,269
Total equity	25	(11,458)	(4,404)
Total liabilities	250	16,469	10,673
Total equity and liabilities	275	5,011	6,269

Key ratios

		Audited	
	Feb. 26-Mar 31, 2021 (SEK)	**FY-2020** (NOK)	**FY-2019** (NOK)
Company	Biosergen AB	Biosergen AS	Biosergen AS
Accounting principles	Swedish GAAP	Norwegian GAAP	Norwegian GAAP
Net income per share[1]	0.0	-0.04	-0.04
Equity per share[1]	1.0	0.06	0.02
Equity/assets ratio[1] (%)	9%	83%	28%
Average number of shares[2]	25,000	108,877,103	108,877,103

[1] Defined by the Company's applicable accounting principles and therefore not considered an alternative performance measure according to ESMA's guidelines
[2] Non-financial measure – ESMA guidelines do not apply

2.3 Key risks affecting the Company

BSG005 may not be as safe in human clinical trials as it was in preclinical trials

While the Company expects the efficacy of its antifungal drug BSG005 to be as broad-based in human subjects as it has been in pre-clinical trials, it is vitally important that the drug is equally safe in humans. All drugs must demonstrate non-toxicity, but the safety advantage of BSG005 over Amphotericin B and its liposomal formulation Ambisome is arguably the drug's key differentiator and the feature that will drive its rapid entry into the market. For this reason, the upcoming phase I studies which aim to demonstrate BSG005's safety in healthy human volunteers and establish what is known as a "therapeutic window" for the drug (the dose interval from the drug starts showing clinical effect to it starts to show toxicity) is particularly important. If BSG005 is not sufficiently safe in the phase I trial, it may not have the potential to become an approved and marketed drug. Biosergen assesses the probability that the risk will occur as low based on the very extensive and lengthy research- and preclinical effort behind BSG005, which contains among other things a large number of toxicity test in relevant species. The Company estimates that the risk, if realized, could entail a significant delay in the Company's time-to-market and a high negative impact on Company's commercial prospects.

Biosergen depends on its collaborators

Virtually all the normal general and administrative functions in Biosergen have been outsourced. Furthermore, the Company makes extensive use of contract research partners, for instance for trial drug manufacturing, clinical trials and assistance with the regulatory process. This makes the Company dependent on the timeliness and quality of the advice and services it acquires. However, making extensive use of outsourcing is not unusual in biotech drug development, even for actors that are much larger than Biosergen, and the market for such services offer plenty of choice. More importantly, the Company believes that its board of directors collectively possess the breadth of experience to effectively monitor, together with the Company's

management team, the selection and subsequent performance of such collaborators. However, there is a risk that Biosergen's reliance on external collaborators will end up impeding the Company's development and commercialisation efforts if the Company cannot sufficiently monitor its collaborators or if the Company cannot find suitable collaborators when the work needs to be performed. Biosergen assesses the probability that the risk will occur as low. The Company estimates that the risk, if realized, could delay its time-to-market and that the negative impact on the Company's commercial prospects would be medium.

The competition in the antifungal field is significant
Biosergen faces competition from companies with considerably more resources and experience than the Company, which may result in others discovering, developing, receiving approval for, or commercializing, novel antifungal products before, or more successfully, than Biosergen. Several new antifungals are being developed by larger companies and/or enjoy government support exceeding that which has been bestowed to Biosergen and its academic partners. The Company believes that the risk BSG005 will not be competitive in the marketplace once approved is low. If BSG005 should turn out not to be competitive, the negative impact on Biosergen's commercial prospects would be high.

Biosergen may not be able to fund the clinical program for BSG005 through additional new share issues
Biosergen's business model requires it to finance its own clinical development activities which are costly. The Company has no revenues other than those generated from public grants. Biosergen's operating income in the financial years 2020 and 2019 was NOK 1.5 million and NOK 1.2 million, respectively. The Company estimates that its capital requirements up to and including 2023 amounts to approx. SEK 80 million. The Company's annual burn rate – the yearly amount of additional cash, needed to operate the Company's business model – will increase over the coming years as BSG005 progresses through clinical trials. The Company may have to rely on repeated capital increases until such time when it starts to generate income from the sale of products or outlicensing. Biosergen's ability to finance its operation through additional equity rounds depends on a number of factors, the most important of which is the continued success of the clinical trial program for BSG005. Biotech companies that announce disappointing results from clinical trials often find it difficult to raise additional capital. Should BSG005 fail or be delayed in phase I, phase II or phase III, it could have a serious adverse effect on the Company's ability to continue to finance its operations through new share issues. If new equity funding is not available, for this or any other reason, Biosergen could be forced to delay or terminate its product development efforts and in the worst instance the Company could be forced to terminate its entire operations, the negative impact of which would be high. Biosergen assesses the probability that the risk associated to lack of funding will occur is medium.

KEY INFORMATION ABOUT THE SHARES

3.1 Rights of the shares

Biosergen's shares are denominated in SEK, are issued to the holder and issued pursuant to Swedish law and the regulations pursuant to the Swedish Companies Act (SFS 2005:551). All of Biosergen's shares are fully paid, freely transferable and of the same share class. The rights associated with the shares issued by Biosergen, including the rights in accordance with the Articles of Association, may only be amended in accordance with the procedure laid out in the Swedish Companies Act.

Share capital
Prior to the Offering the share capital in Biosergen amounted to SEK 577,544.375. divided into 23,101,775 shares of SEK 0.025 quota value each.

Voting rights
Each share carries one (1) vote at Biosergen's general meeting. Each shareholder is entitled to vote for each share the shareholder owns in Biosergen.

Pre-emption rights in the case of new shares etc.
If the Company issues new shares, warrants or convertible bonds, in the event of a cash issue or offset issue, shareholders generally have pre-emption rights, in accordance with the Swedish Companies Act, to subscribe for such securities in relation to the number of shares that were held prior to the issue.

Right to dividend, the share of Biosergen's profit and rights in the event of liquidation
Each share carries equal rights to dividends and to Biosergen's assets and any surplus in the event of liquidation.

Resolutions regarding dividends are made by the shareholders' meeting. The right to dividend accrues to the person who is entered in the share register managed by Euroclear on the record date set by the general meeting.

Biosergen does not have a dividend policy in place and has at this date never paid any dividend to its shareholders. Biosergen is currently in an expansion phase and plans to re-invest any profits in continued Company development. No dividend is therefore expected to be paid in the next few years.

3.2 Trading of the shares on First North Growth Market

The shares of Biosergen will be trading on First North in Stockholm, which is a multilateral trading platform and growth market for small and medium sized companies which does not have the same legal status as a regulated market.

3.3 Key risks that are specific to the securities

Future offers and risk for dilution
Since Biosergen generates limited revenue, it is likely that the continued progress of the clinical program for BSG005 will have to be funded by new equity and Biosergen may decide to issue new shares, units or other equity- based securities in the future. New issues and share based instruments like warrants and convertible loans may have a negative effect on the market price of the Company's shares and will reduce the proportionate ownership and voting share of holders of existing shares in the Company. Biosergen assesses the probability that the risk will occur as high. The Company assesses that the risk, if realized, would have a medium negative impact for the shareholder.

KEY INFORMATION ABOUT THE OFFERING

4.1 Key terms and time plan

The Offering
The Offering consists of a minimum of 3,000,000 Units and a maximum of 5,000,000 Units in the Company (excluding the Oversubscription option). Each Unit consist of one (1) share and one (1) warrant of series TO1. The Offering is being offered to private and institutional investors in Sweden, Norway and Denmark.

Subscription Price
The Subscription Price has been determined by the Company's board of directors. The Subscription Price is SEK 10 per Unit corresponding to SEK 10 per share. The warrants of series TO1 are issued for free. No commission will be charged. The valuation of the Company has been determined by the Company's board of directors and is based on the market potential of BSG005 as well as comparisons with already listed antifungal peer companies.

The Oversubscription option
The Offering includes an oversubscription option of 2,000,000 additional Units (the "Oversubscription option"). The Oversubscription option will not be partially exercised and will only be exercised if the Offering is more than 50% oversubscribed.

Submissions of applications to subscribe
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. Subscription forms sent by mail should be sent in well advance of the last day of the subscription period. Incomplete, difficult-to-read or incorrectly completed subscription forms may be disregarded, as well subscription forms applying for less than the minimum amount of 500 Units. Only one (1) subscription form per subscriber will be considered. Should several subscription forms be submitted, only the last subscription form will be considered.

Subscription undertakings
The Company's largest shareholder, Östersjöstiftelsen has entered into a subscription undertaking whereby Östersjöstiftelsen undertakes to subscribe up to SEK 20 million on a krona-for-krona basis with any new investors in the Offering. The members of the Company' senior management team, comprising of Dr. Peder M. Andersen (CEO), Dr. Richard Forster (CTO) and Niels Laursen (CFO) have undertaken to subscribe for SEK 1 million in total.

Lock-up undertaking
The Company's existing shareholders, including its CEO Dr. Peder M. Andersen have undertaken against the Company not to transfer, pledge or otherwise divest existing shares in Biosergen for a period of six (6) months from the date of completion of the Offering, whether for shares already held or shares acquired in the Offering.

Allocation
In the event of over-subscription, the board of directors of Biosergen will decide on the allocation of Units with the objective of ensuring a good shareholder base and a broad distribution of the shares among the general public so as to facilitate regular and liquid trading in the Company's shares on First North. The allocation decision will be entirely discretionary and there will be no guarantee for allocation.

Expected timetable

Subscription period	May 21 – June 4, 2021, both days included
Announcement of the result of the Offering	June 8, 2021
Settlement of Offering shares	Around June 23, 2021
Registration of the new shares with the Swedish Companies Registration Office	Around June 21, 2021
First day of trading on the Nasdaq First North Growth Market Sweden	Around June 24, 2021

Application through Nordnet
Nordnet clients in Sweden, Norway and Denmark can apply for Units through Nordnet's webservice. Application to acquire Units is made via Nordnet's webservice and can be submitted from May 21, 2021 up to and including 11:59 p.m. on June 4, 2021. To ensure that they do not lose their right to allocation, Nordnet customers must have sufficient funds available in their account from 11:59 p.m. on June 4, 2021 until the settlement date, which is expected to be June 23, 2021.

Application through Avanza
Custody account holders at Avanza can apply for the acquisition of Units via Avanza's online services during the period May 21, 2021 up to and including 11:59 p.m. on June 4, 2021. To ensure that no one who subscribed for and was allotted Units do not lose the right to these, Avanza depository account customers must have sufficient funds available in their depository account for the payment of allotted Units from June 4, 2021 until the settlement date on June 23, 2021.

Dilution resulting from the Offering
The Offering (excluding warrants) will result in a dilution ranging from 11.5% at the minimum proceeds and 23.3% in the event that the Offering is fully subscribed and the Oversubscription option is utilized. If all the attached warrants of series TO1 from the Offering and the Oversubscription option are exercised, the number of outstanding shares will increase corresponding to a total dilution of approximately 37.7%

4.2 Reasons for the Offering and use of proceeds

The Board is of the opinion that, as of the date of the Prospectus, the current working capital is not sufficient for the next twelve-month period. Biosergen's liquidity forecast indicates that the available cash flow from operating activities are expected to be depleted by July 2021 and that the deficit amounts to approximately SEK 20 million in the subsequent twelve-month period. The working capital needs for the next twelve months is to be covered by the issue of Units carried out in connection with the Offering, which, excluding the Oversubscription option, could provide the Company with net proceeds of SEK 44 million (after deduction of transaction costs of approximately SEK 6 million) which will enable the Company to fund its operation through 2022. In connection with the Offering, the Company has received conditional subscription undertakings of up to SEK 21 million, corresponding to approximately 42% of the Offering, but there is no guarantee that the minimum Offering amount of SEK 30 million will be achieved.

If the Offering is carried through the Company will have sufficient working capital available for the Company's planned activities for at least twelve months after the first date of trading on First North. 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 the Subsidiary 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.

In the event the Offering is not fully subscribed, the Company will carry out the phase I trial as planned and initialise the necessary preparatory steps to minimise the risk that the phase II trial is delayed while it investigates its options for further funding, also taking into consideration the possibility of further proceeds for the exercise of the TO1 warrants in June 2022. In the event the Offering is not carried through, it is the intention of the board of directors to raise new equity from existing shareholders and/or new private investors. If such alternative financing is not available, Biosergen will consider other solutions such as reducing the Company's costs, dispose assets and/or conduct certain changes to Biosergen's business plan or organization.

If the Offering's Oversubscription option is exercised and the warrants of series TO1 lead to additional proceeds of 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.

Conflict of interest
There are no conflicts of interest or potential conflicts of interest between the board members and senior management's commitments toward Biosergen and their private interest and/or commitments (however, a number of board members and senior management representatives have some economic interests in Biosergen, either directly or indirectly, through ownership of shares or other securities in Biosergen). None of the board members or senior management representatives has been elected or appointed due to a particular arrangement with major shareholders, customers, supplier or other parties.

RESPONSIBLE PARTIES, INFORMATION FROM THIRD PARTIES AND COMPETENT AUTHORITY

RESPONSIBLE PARTIES

The board of directors of Biosergen is responsible for the content in this Prospectus. To the best of the Board's knowledge, the information contained in the Prospectus is in accordance with the facts, and the registration document makes no omission likely to affect its import. Biosergen's composition of Board of Directors as of the date of the Prospectus is set out below.

Name	Position	Name	Position
Torsten Goesch	Chairman	Mattias Klintemar	Director
Lena Degling Wikingsson	Director	Marianne Kock	Director
Achim Kaufhold	Director	Hanne Mette Dyrlie Kristensen	Director
Henrik Moltke	Director		

APPROVAL FROM THE SFSA

The Prospectus has been approved by the Swedish Financial Supervisory Authority (SFSA), as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is subject of this Prospectus or as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities referred to in the Prospectus. The Prospectus has been drawn up as an EU Growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

INFORMATION FROM THIRD PARTIES

The Board of Directors assures that the information from third parties has been accurately reproduced and - as far as Biosergen is aware and is able to ascertain from information published by that third party - no facts have been omitted which would render the reproduced information inaccurate or misleading. Statements in the Prospectus are based on the Board's or the executive management's assessments if not stated otherwise. Certain parts of the Prospectus refer to information on websites. The information on these websites does not form a part of the Prospectus, unless the information has been incorporated by reference, and has not been reviewed or approved by the SFSA.

The information from third parties that is used in the Prospectus is listed below under "References".

REFERENCES

Scientific and market references

Aparicio JF, Caffrey P, Gil JA, Zotchev SB: Polyene antibiotic biosynthesis gene clusters. Applied Microbiology and Biotechnology 2003, 61(3):179-188

Bongomin F, Gago S, Oladele RO, Denning DW. Global and Multi-National Prevalence of Fungal Diseases-Estimate Precision. J Fungi (Basel). 2017 Oct 18;3(4):57

Borgos SEF, Sletta H, Fjaervik E, Brautaset T, Ellingsen TE, Gulliksen OM, Zotchev SB: Effect of glucose limitation and specific mutations in the module 5 enoyl reductase domains in the nystatin and amphotericin polyketide synthases on polyene macrolide biosynthesis. Archives of Microbiology 2006, 185(3):165-171

Borgos SEF, Tsan P, Sletta H, Ellingsen TE, Lancelin JM, Zotchev SB: Probing the structure-function relationship of polyene macrolides: Engineered biosynthesis of soluble nystatin analogues. Journal of Medicinal Chemistry 2006, 49(8):2431-2439

Brautaset T, Borgos SEF, Sletta H, Ellingsen TE, Zotchev SB: Site-specific mutagenesis and domain substitutions in the loading module of the nystatin polyketide synthase, and their effects on nystatin biosynthesis in Streptomyces noursei. Journal of Biological Chemistry 2003, 278(17):14913-14919

Brautaset T, Bruheim P, Sletta H, Hagen L, Ellingsen TE, Strom AR, Valla S, Zotchev SB: Hexaene derivatives of nystatin produced as a result of an induced rearrangement within the nysC polyketide synthase gene in S. noursei ATCC 11455. Chemistry & Biology 2002, 9(3):367-373

Brautaset T, Sekurova ON, Sletta H, Ellingsen TE, Strom AR, Valla S, Zotchev SB: Biosynthesis of the polyene antifungal antibiotic nystatin in Streptomyces noursei ATCC 11455: analysis of the gene cluster and deduction of the biosynthetic pathway. Chemistry & Biology 2000, 7(6):395-403

Brautaset T, Sletta H, Degnes KF, Sekurova ON, Bakke I, Volokhan O, Andreassen T, Ellingsen TE, Zotchev SB: New Nystatin-Related Antifungal Polyene Macrolides with Altered Polyol Region Generated via Biosynthetic Engineering of Streptomyces noursei. Applied and Environmental Microbiology 2011, 77(18):6636-6643

Brautaset T, Sletta H, Nedal A, Borgos SEF, Degnes KF, Bakke I, Volokhan O, Sekurova ON, Treshalin ID, Mirchink EP et al: Improved Antifungal Polyene Macrolides via Engineering of the Nystatin Biosynthetic Genes in Streptomyces noursei. Chemistry & Biology 2008, 15(11):1198-1206

Bruheim P, Borgos SEF, Tsan P, Sletta H, Ellingsen TE, Lancelin JM, Zotchev SB: Chemical diversity of polyene macrolides produced by Streptomyces noursei ATCC 11455 and recombinant strain ERD44 with genetically altered polyketide synthase NysC. Antimicrobial Agents and Chemotherapy 2004, 48(11):4120-4129

Caffrey P, Aparicio JF, Malpartida F, Zotchev SB: Biosynthetic engineering of polyene macrolides towards generation of improved antifungal and antiparasitic agents. Current Topics in Medicinal Chemistry 2008, 8(8):639-653

Fjaervik E, Zotchev SB: Biosynthesis of the polyene macrolide antibiotic nystatin in Streptomyces noursei. Applied Microbiology and Biotechnology 2005, 67(4):436-443

GAFFI (Global Action Fund for Fungal Infection): www.gaffi.org/wp-content/uploads/GAFFI-Final-Brochure-Aug-2017-pages.pdf

Garcia-Solache MA, Casadevall A. Global warming will bring new fungal diseases for mammals. mBio. 2010 May 18;1(1):e00061-10

Heia S, Borgos SEF, Sletta H, Escudero L, Seco EM, Malpartida F, Ellingsen TE, Zotchev SB: Initiation of Polyene Macrolide Biosynthesis: Interplay between Polyketide Synthase Domains and Modules as Revealed via Domain Swapping, Mutagenesis, and Heterologous Complementation. Applied and Environmental Microbiology 2011, 77(19):6982-6990

Kainz K, Bauer MA, Madeo F, Carmona-Gutierrez D. Fungal infections in humans: the silent crisis. Microb Cell. 2020 Jun 1;7(6):143-14

Market Research Future: Global Antifungal Treatment Market Research Report Forecast to 2027, January 2021

Nature Outlook: Why big pharma has abandoned antibiotics, October 21, 2020

Nedal A, Sletta H, Brautaset T, Borgos SEF, Sekurova ON, Ellingsen TE, Zotchev SB: Analysis of the mycosamine biosynthesis and attachment genes in the nystatin Biosynthetic gene cluster of Streptomyces noursei ATCC 11455. Applied and Environmental Microbiology 2007, 73(22):7400-7407

Preobrazhenskaya MN, Olsufyeva EN, Solovieva SE, Tevyashova AN, Reznikova MI, Luzikov YN, Terekhova LP, Trenin AS, Galatenko OA, Treshalin ID et al: Chemical Modification and Biological Evaluation of New Semisynthetic Derivatives of 28,29-Didehydronystatin A(1) (S44HP), a Genetically Engineered Antifungal Polyene Macrolide Antibiotic. Journal of Medicinal Chemistry 2009, 52(1):189-196

Preobrazhenskaya MN, Olsufyeva EN, Tevyashova AN, Printsevskaya SS, Solovieva SE, Reznikova MI, Trenin AS, Galatenko OA, Treshalin ID, Pereverzeva ER et al: Synthesis and study of the antifungal activity of new mono- and disubstituted derivatives of a genetically engineered polyene antibiotic 28,29-didehydronystatin A(1) (S44HP). Journal of Antibiotics 2010, 63(2):55-64.

Roemer T, Krysan DJ. Antifungal drug development: challenges, unmet clinical needs, and new approaches. Cold Spring Harb Perspect Med. 2014 May 1;4(5):a019703

Sekurova ON, Brautaset T, Sletta H, Borgos SEF, Jakobsen OM, Ellingsen TE, Strom AR, Valla S, Zotchev SB: In vivo analysis of the regulatory genes in the nystatin biosynthetic gene cluster of Streptomyces noursei ATCC 11455 reveals their differential control over antibiotic biosynthesis. Journal of Bacteriology 2004, 186(5):1345-1354

Sekurova O, Sletta H, Ellingsen TE, Valla S, Zotchev S: Molecular cloning and analysis of a pleiotropic regulatory gene locus from the nystatin producer Streptomyces noursei ATCC11455. Fems Microbiology Letters 1999, 177(2):297-304

Sletta H, Borgos SEF, Bruheim P, Sekurova ON, Grasdalen H, Aune R, Ellingsen TE, Zotchev SB: Nystatin biosynthesis and transport: nysH and nysG genes encoding a putative ABC transporter system in Streptomyces noursei ATCC 11455 are required for efficient conversion of 10-deoxynystatin to nystatin. Antimicrobial Agents and Chemotherapy 2005, 49(11):4576-4583

Tevyashova AN, Olsufyeva EN, Solovieva SE, Printsevskaya SS, Reznikova MI, Trenin AS, Galatenko OA, Treshalin ID, Pereverzeva ER, Mirchink EP et al: Structure-Antifungal Activity Relationships of Polyene Antibiotics of the Amphotericin B Group. Antimicrobial Agents and Chemotherapy 2013, 57(8):3815-3822

Volokhan O, Sletta H, Ellingsen TE, Zotchev SB: Characterization of the P450 monooxygenase NysL, responsible for C-10 hydroxylation during biosynthesis of the polyene macrolide antibiotic nystatin in Streptomyces noursei. Applied and Environmental Microbiology 2006, 72(4):2514-2519

Volokhan O, Sletta H, Sekurova ON, Ellingsen TE, Zotchev SB: An unexpected role for the putative 4 '-phosphopantetheinyl transferase-encoding gene nysF in the regulation of nystatin biosynthesis in Streptomyces noursei ATCC 11455. Fems Microbiology Letters 2005, 249(1):57-64

World Health Organization (WHO): Antimicrobial Resistance. www.who.int/health-topics/antimicrobial-resistance

Zotchev S, Caffrey P: GENETIC ANALYSIS OF NYSTATIN AND AMPHOTERICIN BIOSYNTHESIS. In: Complex Enzymes in Microbial Natural Product Biosynthesis, Part B: Polyketides, Aminocoumarins and Carbohydrates. Edited by Hopwood DA, vol. 459; 2009: 243-258

Zotchev S, Haugan K, Sekurova O, Sletta H, Ellingsen TE, Valla S: Identification of a gene cluster for antibacterial polyketide-derived antibiotic biosynthesis in the nystatin producer Streptomyces noursei ATCC 11455. Microbiology-Uk 2000, 146:611-619

BACKGROUND AND RATIONALE

BACKGROUND

Fungal infections kill more than 1.5 million people every year and the number is rising[1].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[2]. Only one new antifungal product has been approved in the last 10 years.

Meanwhile, the use of antifungals continues to increase. Partly because of the growing number of therapies and diseases leading to immunocompromised health conditions combined with an ageing population, but mostly because antifungals are increasingly and routinely used as fungicides in agricultural and livestock production. Not surprisingly, Multidrug Resistance (MDR) has been emerging and recognised by the WHO as a serious global health threat for several fungal strains.

One reason for the industry's underinvestment in new antimicrobial products is the relatively short duration of treatment. Most antimicrobials are only given for a few days as opposed to drugs used for treating chronic diseases. A more important factor, however, is the high research and development costs associated with antibiotics and undifferentiated antifungals. Here, a key problem is the need to show superiority against existing products in large and expensive clinical trials. However, this problem becomes much less severe if the new antifungal in question offers an ability to fight resistant fungal strains and address situations where there is no effective current standard of care to compare with. In these situations, the need for large trials is significantly reduced and the clinical trial path becomes substantially less expensive.

RATIONALE

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. The Company estimates that this research effort represents well over EUR 10 million in research costs over the years.

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 indication 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 Board is of the opinion that, as of the date of the Prospectus, the current working capital is not sufficient for the next twelve-month period. Biosergen's liquidity forecast indicates that the available cash flow from operating activities are expected to be depleted by July 2021 and that the deficit amounts to approximately SEK 20 million in the subsequent twelve-month period. The working capital needs for the next twelve months is to be covered by the issue of Units carried out in connection with the Offering, which, excluding the Oversubscription option, could provide the Company with net proceeds of SEK 44 million (after deduction of transaction costs of approximately SEK 6 million) which would enable the Company to fund its operation through 2022. In connection with the Offering, the Company has received conditional subscription undertakings of up to SEK 21 million, corresponding to approximately 42% of the Offering, but there is no guarantee that the minimum Offering amount of SEK 30 million will be achieved.

If the Offering is carried through the Company will have sufficient working capital available for the Company's planned activities for at least twelve months after the first date of trading on First North. 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 (Approx. 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 (Approx. 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 (Approx. 10%)**
  In December 2019, the Research Council of Norway awarded the Subsidiary 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.

In the event the Offering is not fully subscribed, the Company will carry out the phase I trial as planned and initialise the necessary preparatory steps to minimise the risk that the phase II trial is delayed while it investigates its options for further funding, also taking into consideration the possibility of further proceeds for the exercise of the TO1 warrants in June 2022. In the event the Offering is not carried through, it is the intention of the board of directors to raise new equity from existing shareholders and/or new private investors. If such alternative financing is not available, Biosergen will consider other solutions such as reducing the Company's costs, dispose assets and/or conduct certain changes to Biosergen's business plan or organization.

If the Offering's Oversubscription option is exercised and the warrants of series TO1 lead to further proceeds of 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.

ADVISORS AND CONFLICTS OF INTEREST

Translution Capital is financial advisor to Biosergen in connection with the Offering. Nordnet Bank is selling agent in connection with the Offering. DNB is Biosergen's issuing agent and Advokatfirman Lindahl KB is Biosergen's legal advisor in connection with the Offering. The advisors have received and may in the future receive compensation for their roles as advisors to Biosergen. None of the advisors hold shares in Biosergen or have any plans to hold such shares in the future.

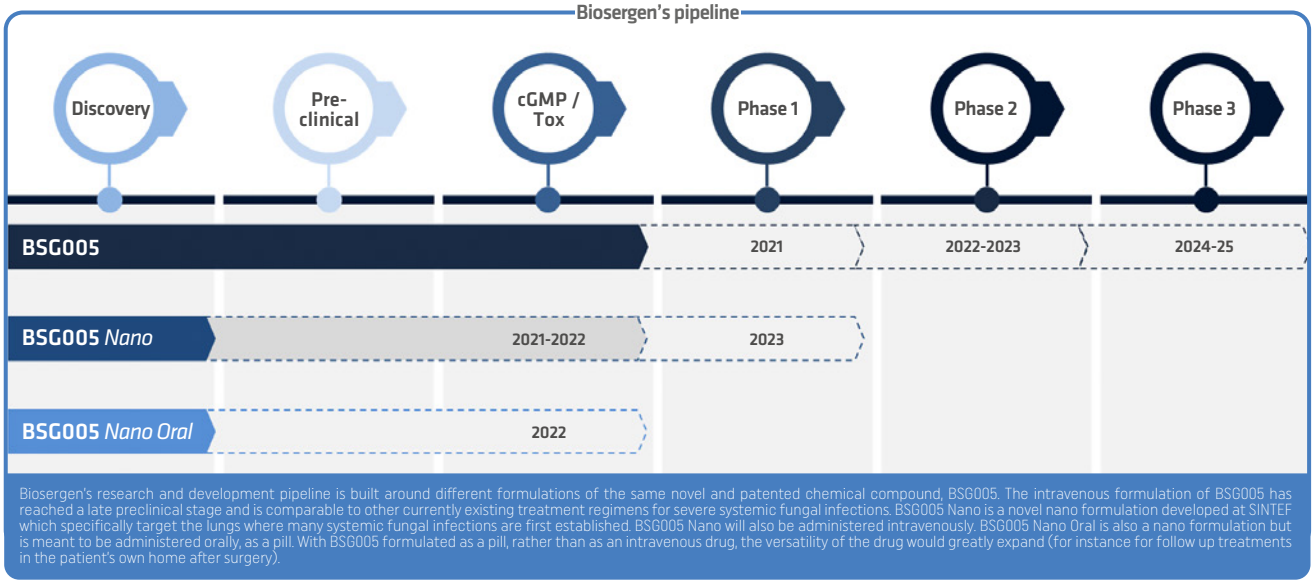
Biosergen is not aware of any conflicts of interest in connection with the Offering.

[1] Bongomin et al. Journal of Fungi, oktober 2017 | [2] Antifungal Drug Development: Challenges, Unmet Clinical Needs, and New Approaches. Cold Spring Harb Perspect Med 2014, 4

MARKET AND BUSINESS OVERVIEW

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.



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 administered 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).

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.

Public funding

Biosergen has historically been very successful in attracting public funding for its activities. Since the Subsidiary's inception in 2004, Biosergen has received the equivalent of more than NOK 37 million in public grants. The Company currently has one research program partially funded. In December 2019, the Research Council of Norway awarded the Subsidiary 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.

MARKET DESCRIPTION

Introduction

Of the hundreds of thousands of fungal species, only a few hundred are able to infect humans and even fewer have the capacity to cause serious health problems. However, when they do infect humans, fungi can cause a variety of illnesses with symptoms ranging from a mild rash to life threatening pneumonia and death. Well known diseases frequently associated with fungal infection include various allergies, lung infections and meningitis, but also much less dangerous ailments like athlete's foot and thrush (a mouth infection typical in newborns).

Fungal infection is an increasing problem

It is estimated that fungal infections kill more than 1.5 million people every year[1] and the number of cases continues to increase[2]. The factors behind the increased incidence particularly of serious invasive (also known as systemic) fungal infections can be grouped into three broad categories:

Opportunistic fungal infection

The incidence of opportunistic fungal infections such as cryptococcosis and aspergillosis is increasing because the number of people with weakened immune systems continues to increase, both in developed and developing countries. This group includes cancer patients, transplant recipients, people taking medications that weaken the immune system and not least, people living with HIV/AIDS.[3]

Hospital acquired infection

Hospital-acquired infections (also known as nosocomial infections) including bloodstream infections, pneumonia and urinary tract infections are on the rise, also in the developed world. The increase has multiple causes, including more hospitalized patients with weakened immune systems, an increasing number of elderly patients, more invasive medical procedures, ever busier medical staff, inadequate sanitation protocols and last but not least, the routine use of antifungal drugs in hospital settings that creates a selection pressure for the emergence of resistant strains.

Community acquired infection

Certain fungal species live in particular geographies and/or environments and are known to be sensitive to changes in temperature and moisture. There has been an increase in fungal infection outbreaks in recent years in certain regions. These outbreaks are almost certainly linked to demographic changes and climate change.

[1] Bongomin m.fl. Journal of Fungi, oktober 2017 | [2] Kainz m.fl. Microbial Cell, juni 2020 | [3] It is estimated that close to 50% of all AIDS related deaths are attributable to an invasive fungal infection. GAFFI (Global Action Fund for Fungal Infection), August 2017

Four species are responsible for the majority of life threatening invasive fungal infections

The majority of invasive fungal infection-related serious illnesses and deaths are caused by four particular fungal pathogens: Candida, Aspergillus, Cryptococcus and Pneumocystis.

Candida

Candida is a yeast that causes infections in individuals with deficient immune systems. Systemic Candida infections of the bloodstream and major organs, particularly in immunocompromised patients, affect over 90,000 people a year in the United States alone. The infection can occur in the mouth and throat, vagina, or bloodstream. People with diabetes and HIV are particularly susceptible to Candidiasis. It is estimated that approximately 750,000 people worldwide develop invasive Candidiasis every year[1] and that more than half of all sales of antifungal drugs (52%) are directed against the Candida pathogen[2].

Aspergillus

Aspergillus cause Aspergillosis which primarily develops in people with weakened immune systems or lung diseases. These fungi also cause allergic reactions. Types of aspergillosis include allergic bronchopulmonary aspergillosis and invasive aspergillosis, both of which conditions are potentially lethal. It is estimated that more than 300,000 people worldwide develop Aspergillosis every year and that approximately 21% of all sales of antifungal drugs are directed against the Aspergillus pathogen.

Cryptococcus

Cryptococcus is rare in healthy people but in patients suffering from HIV infections and AIDS it can cause life threatening forms of meningitis and meningo-encephalitis. It is estimated that approximately 200,000 AIDS patients develop life threatening Cryptococcosis every year and that approximately 7% of all sales of antifungal drugs are directed against the Cryptococcus pathogen.

Pneumocystis

Pneumocystis is a frequent source of opportunistic lung infections in people with a weak immune system or other predisposing health conditions. It is often seen in patients suffering from HIV infections and AIDS but is also found in patients using immunosuppressing medications and people with cancer, autoimmune or inflammatory conditions, and chronic lung disease. It is estimated that approximately 500,000 people develop pneumocystis pneumonia every year and that less than 5% of all sales of antifungal drugs are directed against the Pneumocystis pathogen.

Diagnosing and treating invasive fungal infection is difficult

The diagnosis of fungal infection poses a particular problem because diagnostic methods, even in the developed world, often are too slow to be clinically relevant or fail to detect exactly what fungal species is causing the infection. Adding to the problem is that symptoms often present as non-specific, meaning that without access to sophisticated diagnostic tests, a physician would barely be able to establish that the patient is suffering from a fungal infection as opposed to any other invasive microbe, let alone what particular species of fungi the patient is infected with. As a result, fungal infections are often treated in the blind or not treated at all.

All three of the main classes of antifungals, the Polyenes, the Azoles and the Echinocandins, target the fungal cell wall because this is the part of the fungal cell that is most different from the human cell. Antifungals whose mechanism of action specifically target the fungal cell wall therefore tend to be less toxic to humans. Because the treatment of invasive fungal infection is often initiated before a precise diagnosis can be reached, the initial treatment usually consists of a combination of drugs. However, common first line treatment combinations consisting of drugs from the Azole and Echinocandin classes are generally only fungistatic, not fungicidal, which makes them vulnerable to resistance development. The Polyenes, the most prominent of which is Amphotericin B, are fungicidal but are used only sparingly as first line treatment because of their toxicity.

The three classes of antifungals used today

The three main classes of antifungal drugs today are the Polyenes, the Azoles and the Echinocandins. A smaller group of products are the Allylamines and the Pyrimidines. The total sales of antifungals for human medicinal use were estimated to be approximately USD 16.7 billion in 2020[2]. Sales are growing by 6-7% per year. Although the majority of serious infections occur in the developing world, the United States and Europe make up approximately 70% of the market.

The Polyenes

The Polyenes were discovered already in the early 1950s based on the observation that certain types of streptomyces bacteria were able to kill fungal cells in their vicinity. Polyenes work by forming ion-channel like pores in the fungal cell wall, which causes certain ions to leak out of the cell, leading to cell death. The polyenes are fungicidal and very effective with almost no resistance build over more than 50 years, but their use is restricted by their toxicity, particularly to the kidney. Amphotericin B is the most well-known of the polyenes. Other drugs in this class include Candicidin and Nystatin. New formulations of Amphotericin B such as the liposomal formulation Ambisome aims to achieve lower toxicity with at least similar efficacy compared to the parent compound. However, so far it has not been possible to eliminate nephrotoxicity as the main dose limiting side effect. This is the primary reason that the polyenes despite their effectiveness comprise only approximately 10% of the total antifungal drug market.

The Azoles

The first Azole derivatives were discovered in the late 1960s. They work by inhibiting the synthesis of certain fat components of the fungal cell wall. In contrast to the Polyenes, they are primarily fungistatic rather than fungicidal, but they are effective against a broad range of fungal pathogens and display none of the kidney toxicity seen with the polyenes. Well known drugs in this class include Fluconazole, Ketoconazole, Miconazole and Voriconazole. It is estimated that the Azoles comprise approximately 42% of the total antifungal drug market.

The Echinocandins

Drugs from the Echinocandin class inhibit the synthesis of yet another component of the fungal cell wall known as ß-glucan. They are the newest class of antifungals, although they were in fact discovered in the 1970s. The Echinocandins are fungistatic, have a fairly broad range particularly against candida species, and have low toxicity. They do however have poor bio-availability and must be administered intravenously. Well known Echinocandins include Caspofungin and Micafungin. It is estimated that the Echinocandins comprise approximately 32% of the total antifungal drug market.

The Allylamines and Pyrimidines

Allylamines work by inhibiting an enzyme required for the development of the fungal cell wall. Like the Echinocandins, they were discovered in the 1970s. The Pyrimidines work by interfering with the fungi's protein synthesis. They were introduced as antifungals in the late 1950s. The Allylamines and Pyrimidines (as well as a few other drugs) make up the remaining 16% of the market.

Multidrug resistance is an increasing problem

Fungi, like bacteria, can develop resistance when the particular species develop the ability to defeat the drugs designed to kill them. Since only a few types of antifungal drugs currently exist, antifungal resistance severely limits treatment options. Some species, like Candida auris, can become resistant to all three main drug types. Resistance is particularly problematic for patients suffering from invasive fungal infections.

One reason resistance is on the rise is the increasing use of Azole and Echinocandin drugs, both of which arefungistatic rather than fungicidal. With fungistatics, some fungal cells survive, and these are by definition the cells that already were resistant to the drug or acquired the ability to resist through mutation during the treatment course. Another reason for the rise in resistant fungal strains is the broad and often indiscriminate use of antifungals in agricultural and livestock production. Certain of the azoles are even used in industrial coatings and for timber preservation. All international public health organisations, including the WHO and the CDC (The United States Centre for Disease Control) as well as the European Commission recognises the rise in fungal infections and not least the rise in Multi Drug Resistant (MDR) fungal strains as a global health threat[3].

[1] Bongomin m.fl. Journal of Fungi, oktober 2017
[2] Market Research Future. Global Antifungal Treatment Market forecast to 2027. The market for fungicides in agriculture and industry is at least as large as the human drug market but is not considered in this discussion
[3] www.who.int/health-topics/antimicrobial-resistance

BSG005's position in the market

Invasive fungal infection is an aggressive disease with up to 90% of patients dying in the first two weeks, often before the fungal species is even identified. BSG005 will be positioned as first line treatment for invasive fungal infections based on the drug's fungicidal activity, broad coverage of different fungal species, including single drug and multidrug resistant strains, low risk of resistance development and not least, safety. In the Company's opinion, no other antifungal currently offers this profile. The typical setting would be for BSG005 to be administered intravenously in Intensive Care Units. Because it offers a unique profile, BSG005 will be marketed at a price premium.

Competition

The current standard of care for severely ill patients are treatments with an Azole or Echinocandin antifungal and/or Amphotericin B (possibly in combinations). Drug combinations are chosen because individual products have significant gaps in their fungal coverage. As opposed to the Azoles and Echinocandins, drugs based on Amphotericin B and other Polyenes have fungicidal activity, but they can only be given for a short time and at limited concentrations due to their toxicity, which includes irreversible kidney damage.

Biosergen's management is aware of other new antifungal products currently in development including five that are in early clinical trials: Ibrexafungerp, Rezafungin, Olorofim, Fosmanogepix and ATI-2307. Ibrexafungerp and Rezafungin target the same protein as the Echinocandins and may therefore face similar issues with early resistance development. Furthermore, Ibrexafungerp, Rezafungin and ATI-2307 seem to interfere with enzymes with central roles in human metabolism and/or epithelial integrity, potentially limiting their therapeutic windows. Based on the results published so far, Ibrexafungerp, Olorofim and Fosmanogepix all appear to have gaps in their fungal species coverage that makes them less suited for first line empiric therapy in invasive fungus disease.

Market trends

The antifungal market is impacted by a large number of factors, several of which have already been discussed. Other factors impacting the use of antifungals include:

Demographic and economic development

The aging population in developed countries increases the demand for medicine and health services. Apart from the overall increased number of people that needs healthcare, a general increase in global wealth also creates an increase in demand for proper healthcare, for instance in newly developed countries.

Increased demand for food production

Human population growth fuels a demand for increasing food production. Antifungals are widely used in agriculture and the resulting resistance problems spill over into the human population. The problem is further exacerbated when the plant's natural antifungal defences are gradually bred out, and yet further exacerbated again by the rising popularity of the Azoles as a fungicide used for crop protection.

Medical advances increase the susceptible population

Medical advances leading to greater initial survival of cancer or organ transplants inadvertently leave more patients susceptible to secondary attack from opportunistic fungi, further fuelling a vicious cycle where more antifungals are used, leading to yet more resistance development.

Environmental changes

There is increasing evidence that climate changes could result in an expansion of fungal diseases simply by increasing the geographical reach of certain species[1].

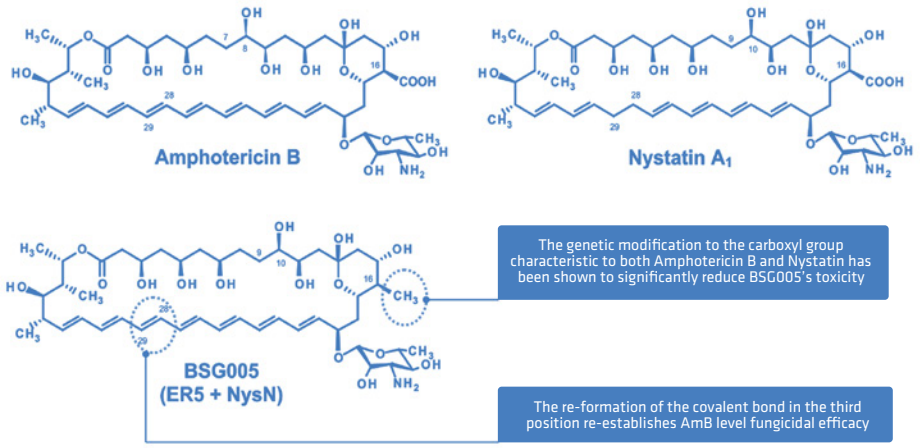
Since 31 December 2020 until the date of the Prospectus, the Company has not noted any specific development trends when it comes to production, sales, inventory, costs and selling prices.

[1] Garcia-Solache och A. Casadevall: Hypotes: Global uppvärmning kommer att medföra nya svampsjukdomar hos däggdjur. mBio, maj 2010.

RESEARCH AND DEVELOPMENT ACTIVITIES

Biosergen's antifungal drug candidate BSG005 is based on two decades of scientific work at Norges Teknisk-Naturvitenskapelige Universitet (NTNU) in Trondheim in collaboration with the Department of Biotechnology and Nanomedicine at SINTEF[1], originally funded by the Research Council of Norway. Using state-of-art gene editing techniques the researchers set out to develop an improved version of Nystatin, a naturally occurring fungicidal chemical in the bacterial strain Streptomyces noursei. They were looking for minute genetic modifications that would retain or even improve the efficacy of Amphotericin B while removing the well- known dose limiting toxicity that has always been this drug's Achilles heel. They eventually expressed and evaluated in various in vitro and in vivo models more than 20 drug candidates. Over the years, this groundbreaking work to finally get to BSG005 in 2008 has been published in 23 peer reviewed scientific publications. BSG005 is a Polyene macrolide antifungal molecule belonging to the same antifungal class as Nystatin and Amphotericin B. As with the other Polyenes, BSG005's mode of action is inference with the microbial cell wall.

BSG005 belongs to the same class of molecules as Amphotericin B



In preclinical trials, BSG005 has shown up to three to four times higher potency than Amphotericin B at same dose levels. More importantly, in toxicity studies the molecule is completely safe with a wide therapeutic window. Specifically, it shows no signs of the potentially fatal kidney toxicity seen with Amphotericin B

Preclinical development

As a result of the extensive research that has gone into the BSG005 program, the molecule has been through an unusually comprehensive in vitro and in vivo pharmacology program and have generated a large body of pre-clinical data. The in vitro testing of BSG005 against more than 200 different fungal strains has shown a fungicidal effect against most strains, including strains resistant to Azoles and Echinocandins. In vivo testing has revealed excellent and broad antifungal protection, including against multi-resistant Aspergillus and Candida strains. Importantly, BSG005 repeatedly shows better protection against Azole resistant Aspergillus than liposomal Amphotericin B.

In vitro testing shows broad antifungal activity

An example of one of the many in vitro tests of BSG005 is shown below. In this study, BSG005 demonstrated potent broad-spectrum fungicidal activity against both yeast and filamentous fungal isolates, and particularly against Aspergillus species, as highlighted in the table. Furthermore, the fungicidal activity of BSG005 is equivalent to that of Amphotericin B and superior to the activity of the other comparators, whose activity in this experiment as expected was largely fungistatic.

The antifungal activity of BSG005 is equivalent or superior to Amphotericin B and other antifungals in vitro

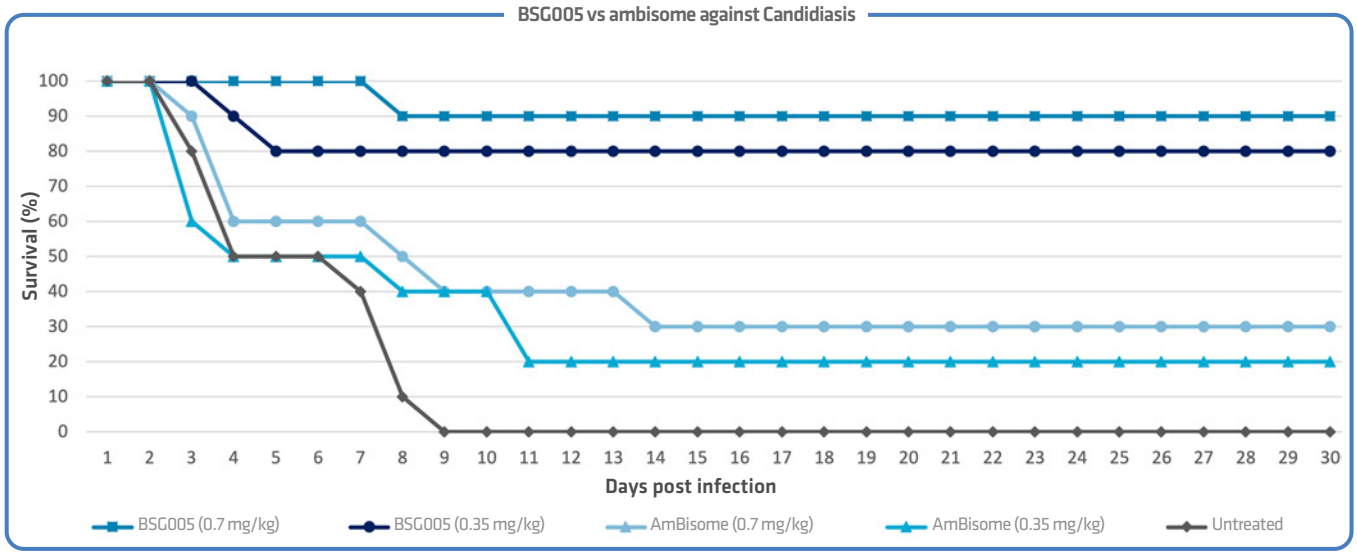
Antifungals (MIC_{90}) (µG/ML)	Candida				Antifungals (MIC_{90}) (µG/ML)	Aspergillus			
	C. Albicans (fluconazole-susceptible)	C. Albicans (fluconazole-resistant)	C. Glabrata (sensitive)	C. Glabrata (increased MIC Capsofungin)		A. flavus	A. fumigatus	A. niger	A. terreus
	n=13	n=7	n=14	n=6		n=20	n=20	n=20	n=10
Amphotericin B	0.5	0.5	0.5	0.5	Amphotericin B	>32	>8	>8	>32
Caspofungin	0.25	1	0.5	2	Caspofungin	>32	>32	>32	>32
Fluconazole	0.25	>32	64	64	Fluconazole	>64	64	>64	>64
Voriconazole	0.06	0.5	4	4	Voriconazole	>16	>8	>8	>4
BSG005	0.5	1	2	1	**BSG005**	>4	>4	4	>4

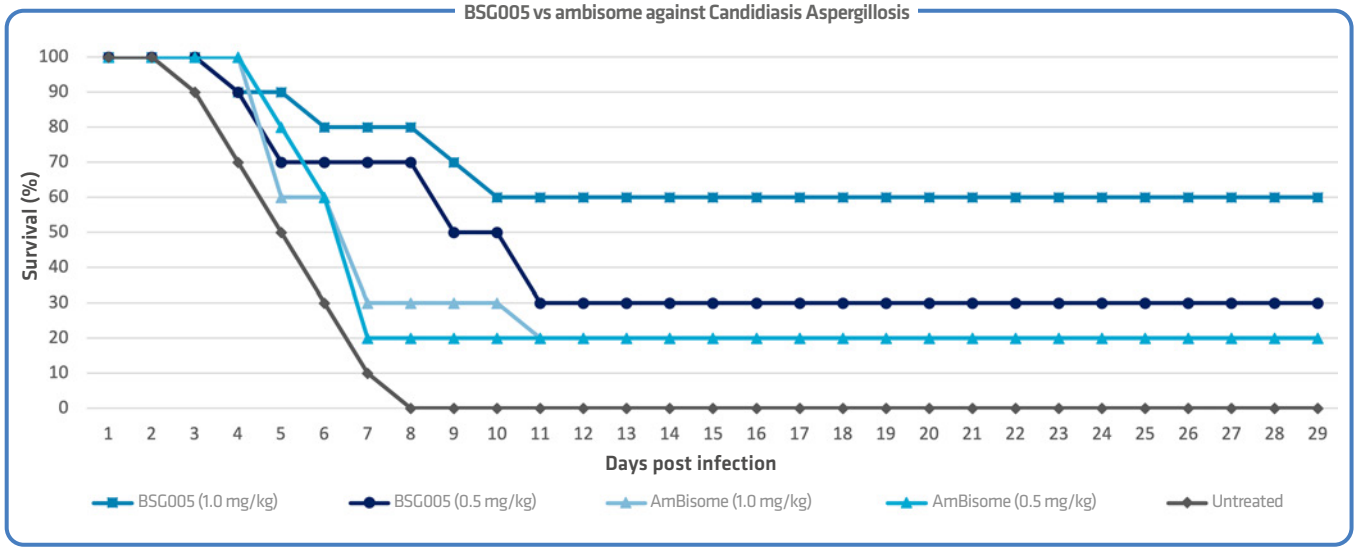
In this experiment, BSG005 and four competing antifungal drugs were tested against 8 common fungal strains from the Candida and Aspergillus families. BSG005 was at least as good as, or superior to, the comparator drugs. Antifungal activity was measured as MIC (minimum Inhibitory Concentration) and MFC (Minimum Fungicidal Concentration). Fungicidal activity requires >/= 99.9% reduction in colony forming units/millilitre (CFU/mL) while fungistatic activity has < 99.9% reduction in CFU/mL. A drug is considered fungicidal if MFC/MIC is </= 4 and fungistatic if MFC/MIC > 4. BSG005 was the only drug with true fungicidal activity against the Aspergillus strains tested.

[1] Having its main offices in Trondheim, Norway, SINTEF is one of Europe's largest private research institutions with more than 2,000 employees

In vivo testing shows superior protection compared to Amphotericin B

Most of the in vivo tests were performed in a well-established immunocompromised mouse model, with comparator drugs including various Azoles and Amphotericin B and/or Ambisome. In the test depicted below, the researchers followed the survival of the immunocompromised mice after they had been challenged with various Aspergillus and Candida strains. The table below show two tests comparing the abilities of BSG005 and a liposomal formulation of Amphotericin B to protect immunocompromised mice against lethal challenges with Candida and Aspergillus, respectively, at equivalent doses.

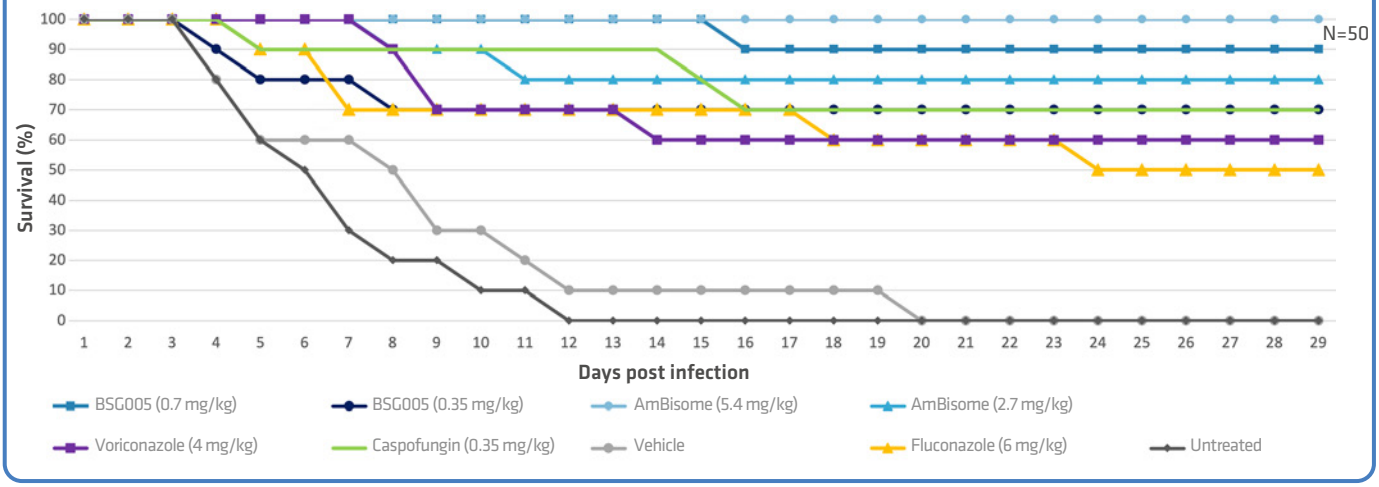




On the top panel 50 immunocompromised mice were divided into five groups. All untreated mice had died from the Candida infection by day 9. On the last day in the experiment, day 29, 90% of the mice treated with the highest dose of BSG005 were still alive, versus 30% of the mice treated with the highest dose of liposomal Amphotericin B. On the lower panel 50 immunocompromised mice were divided into five groups. All untreated mice had died from the Aspergillus infection by day 8. On the last day in the experiment, day 29, 60% of the mice treated with the highest dose of BSG005 were still alive, versus 20% of the mice treated with liposomal Amphotericin B

In a similar experiment of candidiasis in immunocompromised mice using clinical doses shown below, BSG005 provided superior protection compared to Fluconazole, Voriconazole and Caspofungin and equal protection to Ambisome but at a much lower dose of 0,7 mg/kg compared to the 5,4 mg/kg dose of Ambisome required to obtain a similar level of protection.

BSG005 versus Ambisome, Fluconazole, Voriconazole and Caspofungin in Candidiasis at clinical doses



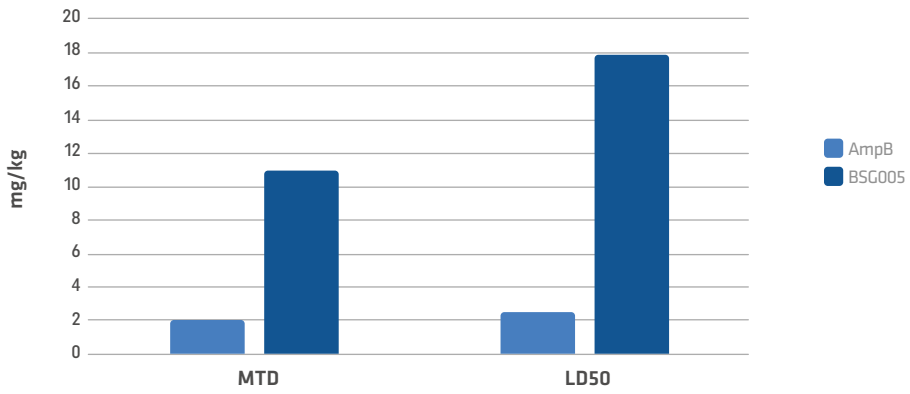
In summary, BSG005 has been shown to have a very broad spectrum of action, not least against Azole and Echinocandin resistant Aspergillus and Candida strains. At similar dose levels, the drug demonstrates a potency advantage over new liposomal formulations of Amphotericin B, the current standard of care for patients not responding to Azole and Echinocandin treatment, of three to four times. The Company is not aware of any other antifungal on the market or in development with a similar profile.

Animal toxicology shows BSG005 is safe

The central ambition of the entire program behind BSG005 was to develop a drug with a superior safety profile over Amphotericin B. As a direct result of this ambition, the Company and its academic collaborators in Trondheim over the years have carried out an extensive battery of toxicology tests. Early on, the tests included comparisons of different solid forms of the drug, drug formulations, formulation preparation procedures, intravenous (IV) dosing methods and infusion durations, just to name a few. No genotoxicity has ever been seen. Later safety pharmacology studies found BSG005 to be free of cardiovascular, central nervous and respiratory adverse effects. Dose limits have been established in recognised animal models, including a safe starting dose for human trials.

BSG005 is five times less toxic than Amphotericin B

Acute toxicity in mice

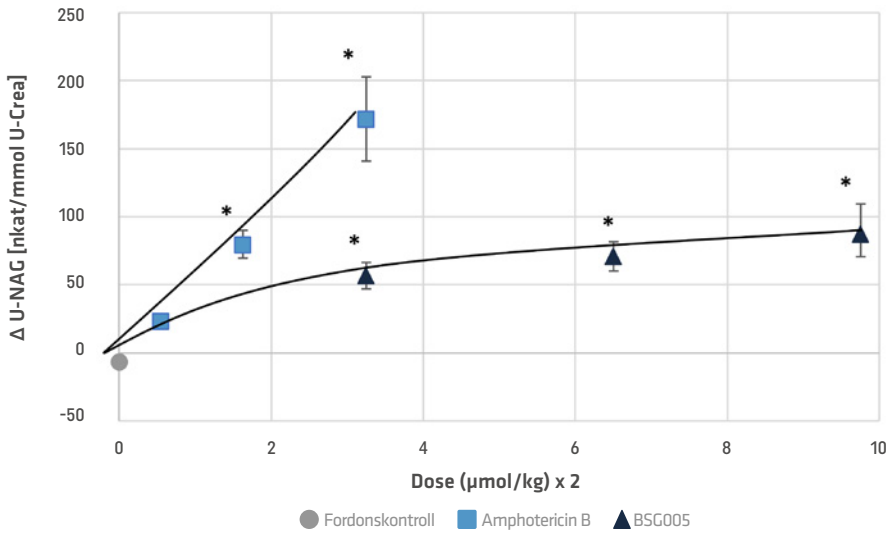


In this standard animal model of acute toxicity, the MTD (maximum tolerated dose, the dose at which side effects become unacceptable) was more than 5 times higher for BSG005 than Amphotericin B. BSG005 also outperformed Amphotericin on LD (lethal dose, the dose at which 50% of the test population die) by a factor of 5.

Perhaps most importantly, none of the tests have indicated a significant kidney toxicity potential, suggesting a favourable and crucial differentiation from Amphotericin B, the drug with which BSG005 will most directly compete. The results from one of the tests are illustrated below.

BSG005 shows significantly less toxicity in the kidneys

Enzyme marker: Urinary N-Acetyl-β-(D)-Glucosaminidase (NAG)

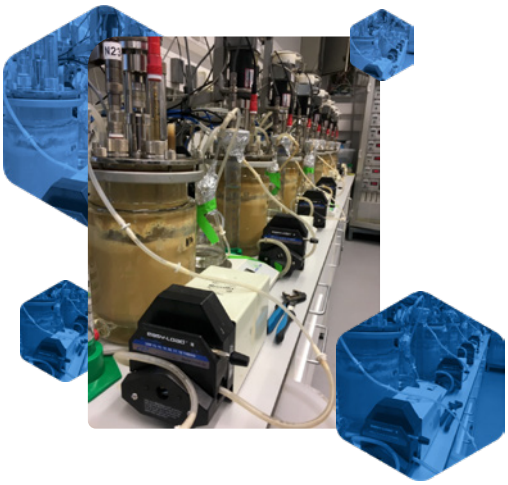


In this standard model of kidney toxicity, a kidney enzyme called NAG is measured. NAG is known to be strongly correlated with the destruction of certain tubular microstructures in the kidney. Even at a dose three times as high, BSG005 showed less than half the kidney damage when compared to Amphotericin B.

Manufacturing upscaling completed

All the Polyenes are produced by Streptomyces bacteria. In BSG005's case, the Streptomyces noursei bacteria has been genetically engineered to produce BSG005 instead of the native antifungal Nystatin. One of the many issues the researchers from NTNU and SINTEF had to solve was to come up with a method by which these genetically engineered Streptomyces bacteria would continue to grow and thrive in the larger volumes that are necessary to eventually manufacture BSG005 in quantity. Once this was done, the researchers had to develop the extraction and purification steps. The GMP upscaling was completed in early 2021 and forms an integral part of the Company's phase I filing to start human clinical trials.

A row of 5-liter fermenters producing BSG005 at SINTEF's laboratories in Trondheim



All of the manufacturing upscaling and GMP processing steps have been completed, to the point where Biosergen achieves high fermentation yields exceeding 6 grams/liter of BSG005. The process is clinical trial ready. Biosergen has entered into a manufacturing agreement with the contract manufacturer Symbiosis Pharmaceuticals Ltd in Scotland. Under the agreement, Symbiosis will manufacture BSG005 both as non-GMP grade for non-clinical use and GMP grade for use in the upcoming clinical trial. The agreement includes a testing and release obligation on Symbiosis in accordance with Australian regulations (the country in which the phase I trial will be conducted). The agreement also includes scheduled stability testing over several months, to ensure that the quality of the material remains high. The agreement is a standard Contract Manufacturing agreement with equal parts paid by Biosergen upon reservation of the manufacturing slot and upon delivery. There are no other payment obligations under the agreement.

Clinical development program

The clinical program for BSG005 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 and to secure the fullest possible indication profile of BSG005.

Phase I clinical trial

The study is designed as a placebo-controlled, double-blinded study. Up to seventy-two (72) healthy adult male subjects will participate. The primary objective is to evaluate the safety and tolerability of BSG005 in healthy adult male subjects. The secondary objective is to assess the pharmacokinetics of BSG005 after single and multiple dosing in healthy male subjects, to assess any plasma accumulation and the excretion of BSG005 in urine. The Company expects the first trial subjects to be recruited in Q3 2021 and to be able to report top line results from the trial by Q1 2022. The safety results from Phase I are key to the clinical development as the fungicidal effect of polyenes and BSG005 are well known. The data will be presented to the FDA at a pre-IND meeting with the FDA in Q2 2022, where also the Phase II program will be discussed.

Phase II clinical trial program

The phase II program is expected to include 3 to 4 clinical trials within the following indication areas:

- Neutropenic patients (low white blood cell count after chemotherapy) with clinical symptoms of invasive fungal infection, but with or without a diagnosis of the specific fungal strain
- Patients with a secured diagnosis of invasive aspergillosis with single or multi-resistant fungal strains
- Patients with chronic pulmonary aspergillosis with a secured diagnosis of resistant fungal strains
- Patient with invasive fungal infection, diagnosed and not diagnosed microbiologically and under ECMO (extra corporal membrane oxygenation) therapy

Each of these Proof of Concept (PoC) trials are expected to have 30 – 35 patients. The program objective is to document the clinical efficacy of BSG005 and to secure the full indication profile of BSG005 across a range of invasive fungal infections. The Company expects the first trial patient to be recruited in Q2 2022 and to be able to report top line date from the first trial in Q2 2023. The Company further expects that the data from the phase II trials will allow it to discuss a phase III program to achieve first line treatment status for the treatment of invasive fungal infections with the FDA by the end of 2023 at the "End of Phase II meeting".

Orphan drug status

Biosergen has applied for orphan drug status for BSG005 with the FDA on the basis that less than 200,000 patients per year, with invasive aspergillosis in the United States, will be treated with the drug. A similar application was filed with EMA this month. If orphan status is granted, one of the benefits is guaranteed market exclusivity for a limited period of time after the drug is approved (currently 7 years in the United States and 10 years in the EU). Similarly, the United States Congress created GAIN in 2012 (Generating Antibiotic Incentives Now) to provide incentives for the development of antibacterial and antifungal drugs for human use, intended to treat serious and life-threatening infections. Under GAIN, a drug may be designated as a qualified infectious disease product (QIDP) if it meets the criteria outlined in the statute, which the Company expect BSG005 would do. A drug that receives QIDP designation is eligible under the statute for fast-track designation and priority review, as well as additional market exclusivity (currently 5 years).

BSG005 Nano and BSG005 Nano Oral

Several of the most serious fungal infections either start or become located in the lungs of the patient. Biosergen and the Nano Group at SINTEF have therefore started a project to develop a special Nano formulation of BSG005, the main purpose of which is to achieve a higher concentration of the drug in the lungs of the patients. The group aims to develop both a Nano and a Nano Oral formulation of BSG005. Other than the aforementioned ability to target the lungs specifically, an oral formulation opens up a number of new routes. For instance, for prophylactic use or as follow-on treatments in the patient's own home after transplants or chemotherapy. If successful, the new nano formulations of BSG005 would enter clinical trials during 2024.

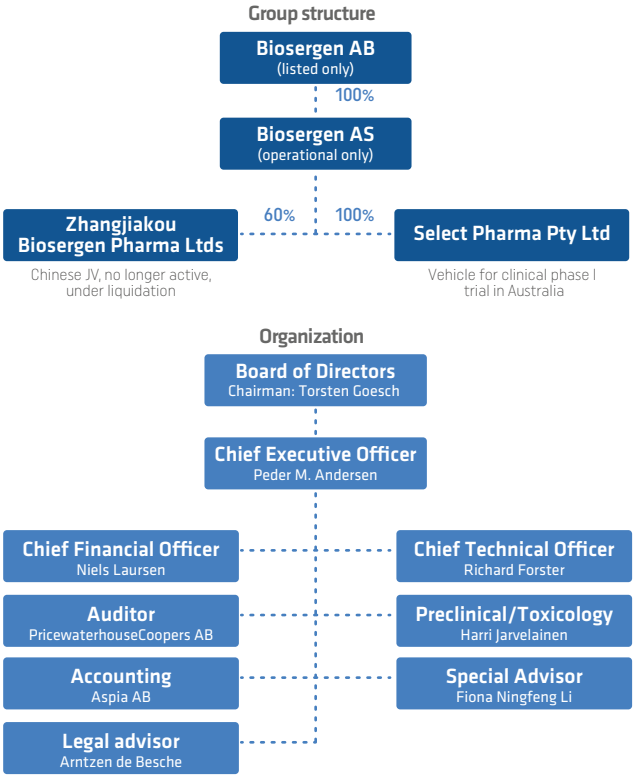
GENERAL INFORMATION ABOUT BIOSERGEN

Biosergen AB, registration number 559304-1295, is the Swedish entity that will be listed on First North. Biosergen AS is the Norwegian operational entity incorporated on 29 November 2004 as a private limited company (AS). Biosergen AB was formed on February 12, 2021 and was registered with the Swedish Companies Registration Office (Sw. Bolagsverket) on February 26, 2021. The Company's business is regulated by Swedish law and its shares have been issued in accordance with, the Swedish Companies Act (2005:551). The Company's identification code for legal entities (LEI) is 549300YD20GUE7BMP925. Biosergen AB's office address is Fogdevreten 2, 171 65 Solna. Biosergen can be reached at the telephone number +45 2080 2470 and the website is www.biosergen.net. Observe that the information on Biosergen's website is not included in the Prospectus unless the information is incorporated in the Prospectus through reference.

Group structure

Biosergen AB is the parent company in the group which in addition to the parent company consists of the wholly owned Biosergen AS which in turn owns 100% of the Australian subsidiary Select Pharma Pty Ltd. Furthermore, in August 2015 Biosergen AS entered into a joint venture agreement with two other parties where Biosergen owned 60% of the joint venture. However, the joint venture has no activities and is currently under liquidation.

Biosergen AS is the operational company in the group which makes Biosergen AB dependent on the Subsidiary.



The management is responsible for, among other things, strategy, business development,investments and performance monitoring. The Company's management consists of Peder M. Andersen (CEO), Richard Forster (CTO) and Niels Laursen (CFO). For more information about the management, please refer to the section "Board of Directors and Senior Management".

Facilities
The Company does not have its own facilities. The Company outsources as much as possible, conducting most operational and development activities virtually using video conferences, telephone and e-mail and when necessary (and possible) in-person meetings with the laboratories, the scientists and suppliers of services. A significant part of the Company's general and administrative functions is likewise outsourced. The Company's supplier of laboratory services (SINTEF AS) is located in the modern Natural Sciences Building on the campus of the NTNU, Norges Teknisk-Naturvitenskapelige Universitet in Trondheim, Norway. Other suppliers are located in Sweden, Spain, UK, USA, Australia and China.

Employees
In accordance with the Company's No-Research-Development-Only strategy to ensure that the vast majority of Biosergen's financial resources are deployed into its manufacture and clinical trial activities, the Company keeps its fixed cost, including personnel costs, to an absolute minimum. Virtually all IT, accounting, business development, marketing and financial functions are outsourced to various consultants and service providers. The Company's only employee is its CEO Peder M. Andersen.

Financing of the operation
The Company finances its operations, including its expanding development activities from public grants, new share issues and loans.

Investments
Since the Company was incorporated in February 2021 and until the date of this Prospectus, Biosergen had made no material investments, nor does Biosergen have any such ongoing or planned material investments.

Since the end of the Subsidiary Biosergen AS's financial year on 31 December 2020, and until the date of this Prospectus, the Subsidiary had made no material investments, nor does the Subsidiary have any such ongoing or planned material investments.

Material changes in Biosergen's financing since 31 December 2020 until the date of this Prospectus
An Extraordinary General Meeting was held on February 12, 2021, where the Subsidiary Biosergen AS converted NOK 8,999,993.80 of Biosergen AS' loans from Östersjöstiftelsen to 2,647,057 shares in Biosergen AS.

A board meeting was held on May 4, 2021 in the Company, where the board converted a SEK 6,774,015.50 loan from Östersjöstiftelsen to 796,943 shares in the Company with the support of an issue authorisation from the extraordinary general meeting held April 16, 2021.

Furthermore, the Board of Directors of the Company resolved on May 18, 2021 with the support from the Extraordinary General Meeting on April 16 2021, to carry out the proposed Offering and the Oversubscription Option of a total of SEK 70 million to finance the Company's continued clinical development of BSG005.

STATEMENT OF WORKING CAPITAL

The Board is of the opinion that, as of the date of Prospectus, the current working capital is not sufficient for the next twelve-month period. Biosergen's liquidity forecast indicates that the available cash flow from operating activities are expected to be depleted by July 2021 and that the deficit amounts to approximately SEK 20 million during the next twelve-month period.

The working capital needs for the next twelve months is to be covered by the issue of Units carried out in connection with the Offering, which could provide the Company with a net proceeds of SEK 44 million after deduction of transaction costs of approximately SEK 6 million. In connection with the Offering, the Company has received conditional subscription undertakings of up to SEK 21 million, corresponding to approximately 42% of the Offering, but there is no guarantee that the minimum Offering amount of SEK 30 million will be achieved.

If the Offering is carried through the Company will have sufficient working capital available for the Company's planned activities for at least twelve months after the first date of trading on First North. In the event that the Offering is not carried through, it is the Board's intention to raise new equity from existing shareholders and/or new private investors. If such alternative financing is not available, Biosergen will consider other solutions such as reducing the Company's costs, dispose assets and/or conduct certain changes to Biosergen's business plan or organization.

RISK FACTORS

An investment in securities is associated with risk. This section describes the risk factors and important circumstances that are considered material for Biosergen's operations and future development. In accordance with the Prospectus Regulation, the risk factors specified in this section are only limited to such risks that are deemed to be specific to the Company and/or the Company's securities and that are deemed to be significant for an investor to make an informed investment decision.

Biosergen has assessed the materiality of the risks on the basis of the probability of the risks to be materialized and the potential extent of negative consequences that may result from the risks being realized. The assessment is made through a qualitative scale with the terms low, medium and high. The risk factors are presented in a limited number of categories which include risks related to Biosergen's operations, financial situation, legal and regulatory risk and risks related to Biosergen's Units, shares and the Offering. The risk factors presented below are based on the Company's assessment and available information as of the day of the Prospectus. The risk factors that as of the day of the Prospectus are deemed to be most significant are first presented within each category, while the risk factors are then presented without certain ranking.

RISK RELATED TO BIOSERGEN AND ITS OPERATIONS

BSG005 may not be as safe in human clinical trials as it was in preclinical trials

While the Company expects the efficacy of its antifungal drug BSG005 to be as broad-based in human subjects as it has been in pre-clinical trials, it is vitally important that the drug is equally safe in humans. All drugs must demonstrate non-toxicity, but the safety advantage of BSG005 over Amphotericin B and its liposomal formulation Ambisome is arguably the drug's key differentiator and the feature that will drive its rapid entry into the market. For this reason, the upcoming phase I studies which aim to demonstrate BSG005's safety in healthy human volunteers and establish what is known as a "therapeutic window" for the drug (the dose interval from the drug starts showing clinical effect to it starts to show toxicity) is particularly important. If BSG005 is not sufficiently safe in the phase I trial, it may not have the potential to become an approved and marketed drug. Biosergen assesses the probability that the risk will occur as low based on the very extensive and lengthy research- and preclinical effort behind BSG005, which contains among other things a large number of toxicity test in relevant species. The Company estimates that the risk, if realized, could entail a significant delay in the Company's time-to-market and a high negative impact on Company's commercial prospects.

Biosergen has only one drug in development

Biosergen has deliberately chosen to focus all its organisational and financial resources on only one asset, BSG005, although the drug will be developed in more than one formulation. As such, the Company is wholly dependent on the success of BSG005 in clinical trials. The decision to focus the Company this way is based on the very large body of scientific data supporting BSG005 from close to 20 years of research and preclinical work. The Company's initial shareholders created the Company specifically to develop and commercialise BSG005 on the assumption that the safety and efficacy profile of this compound was such that it could potentially disrupt the global market for antifungal drugs. Furthermore, although 20 other compounds derived from Nystatin were tested by the Company and its academic collaborators over the years, none showed the level of promise shown by BSG005. The Company's board of directors is of the opinion that investors in Biosergen wishing additional diversification can do so by holding other biotech stocks in their portfolio in addition to Biosergen, and that the Company's ability to focus exclusively on BSG005 is a strength.

However, there is overall a risk that the future development of BSG005 will not be successful and that the Company is unable to commercialise the drug or that the commercialisation is significantly delayed. Biosergen assesses the probability that the risk will occur as medium. The Company estimates that the risk, if realized, would entail delay or ultimately prevent it from reaching the market, in which case the negative impact on the Company's commercial prospects would be high.

The competition in the antifungal field is significant

Biosergen faces competition from companies with considerably more resources and experience than the Company, which may result in others discovering, developing, receiving approval for, or commercializing, novel antifungal products before, or more successfully, than Biosergen. Several new antifungals are being developed by larger companies and/or enjoy government support exceeding that which has been bestowed to Biosergen and its academic partners. The Company believes that the risk BSG005 will not be competitive in the marketplace once approved is low. If BSG005 should turn out not to be competitive, the negative impact on Biosergen's commercial prospects would be high.

Biosergen depends on its key employees and consultants, including its CEO, CTO and CFO

As at the date of this Prospectus, Biosergen employs just one employee (its CEO), whereas the CTO and CFO are retained on consultant contracts. All biotech companies rely on attracting and retaining key employees but a Company with Biosergen's operating model which relies extensively on external consultants and collaborators becomes particularly dependent on its senior management team. The Company's CEO is a significant shareholder and will, alongside the CFO and CTO be subscribing for Units in the Offering. In the coming years, the Company may have to attract additional highly skilled scientific and commercial employees, the competition for whom is intense both in Norway and elsewhere. If the Company cannot attract and retain key talent, it may not be able to realise its full commercial potential and the negative impact on its commercial prospects would be high.

Biosergen depends on its collaborators

Virtually all the normal general and administrative functions in Biosergen have been outsourced. Furthermore, the Company makes extensive use of contract research partners, for instance for trial drug manufacturing, clinical trials and assistance with the regulatory process. This makes the Company dependent on the timeliness and quality of the advice and services it acquires. However, making extensive use of outsourcing is not unusual in biotech drug development, even for actors that are much larger than Biosergen, and the market for such services offer plenty of choice. More importantly, the Company believes that its board of directors collectively possess the breadth of experience to effectively monitor, together with the Company's management team, the selection and subsequent performance of such collaborators. However, there is a risk that Biosergen's reliance on external collaborators will end up impeding the Company's development and commercialisation efforts if the Company cannot sufficiently monitor its collaborators or if the Company cannot find suitable collaborators when the work needs to be performed. Biosergen assesses the probability that the risk will occur as low. The Company estimates that the risk, if realized, could delay its time-to-market and that the negative impact on the Company's commercial prospects would be medium.

BSG005 is subject to certain risks associated with its manufacturing

BSG005 will be manufactured by one or more external parties specialised in such manufacturing, both as regards supplies for clinical trials and eventually, for sales and marketing of an approved antifungal product. The bulk manufacturing of biological products such as BSG005 is often less straightforward than for small molecule drugs. The manufacturing cost per gram of biological drug is likewise often higher than for small molecules drugs. There is always a risk that unforeseen complication will arise when larger quantities need to be produced. However, a significant part of the preclinical program for BSG005 has been focused exactly on optimizing the expression and manufacturability of the molecule in its genetically improved state. The Company and its academic collaborators at SINTEF and the Norges Teknisk-Naturvitenskapelige Universitet in Trondheim believes that all manufacturability and upscaling issues have now been solved for BSG005. On that basis the Company assess the risks associated with the bulk manufacturing of BSG005 to be low, and that the risk, if realised would have a medium negative impact on its commercial prospects.

The COVID-19 pandemic may delay certain of the Company's activities

The COVID-19 pandemic has had a significant delaying impact on research and development activities all over the world. For instance, Biosergen is currently in the process of setting up its first clinical trial in Australia and while the Company and its collaborators have taken a number of precautions to ensure that the Company's recruitment activities factor in the current situation, it cannot be ruled out that local outbreaks and/or shut- downs will lead to delays in the Company's clinical trial activities. The same may be said for a number of outsourced activities, such as the manufacturing, formulation and bottling of clinical trial product. The Company considers these risks to be comparatively low, and that the negative impact on the Company's commercial prospects, if the risk was to materialise, would be medium.

RISK RELATED TO BIOSERGEN'S FINANCIAL SITUATION

Biosergen may not be able to fund the clinical program for BSG005 through additional new share issues

Biosergen's business model requires it to finance its own clinical development activities which are costly. The Company has no revenues other than those generated from public grants. Biosergen's operating income in the financial years 2020 and 2019 was NOK 1.5 million and NOK 1.2 million, respectively. The Company estimates that its capital requirements up to and including 2023 amounts to approx. SEK 80 million. The Company's annual burn rate – the yearly amount of additional cash, needed to operate the Company's business model – will increase over the coming years as BSG005 progresses through clinical trials. The Company may have to rely on repeated capital increases until such time when it starts to generate income from the sale of products or outlicensing. Biosergen's ability to finance its operation through additional equity rounds depends on a number of factors, the most important of which is the continued success of the clinical trial program for BSG005. Biotech companies that announce disappointing results from clinical trials often find it difficult to raise additional capital. Should BSG005 fail or be delayed in phase I, phase II or phase III, it could have a serious adverse effect on the Company's ability to continue to finance its operations through new share issues. If new equity funding is not available, for this or any other reason, Biosergen could be forced to delay or terminate its product development efforts and in the worst instance the Company could be forced to terminate its entire operations, the negative impact of which would be high. Biosergen assesses the probability that the risk associated to lack of funding will occur is medium.

The Company may not be able to win new public grants to fund its research

As a No-Research-Development-Only Company, Biosergen makes extensive use of its connections and collaborations with academic institutions, particularly SINTEF and NTNU in Trondheim, where the Subsidiary's operational address is registered, and the most important laboratory service supplier (SINTEF), is located. A significant part of the Company's early research activities, including the activities taking place at SINTEF and NTNU was funded by grants from the Research Council of Norway. The Company has also received equity-based support from Östersjöstiftelsen, a Swedish public fund that supports research activities of relevance for the Baltic Sea region, and from Rosetta Capital IV S.a r.l., SINTEF Venture AS and KDev Investments AS. In December 2019 the Research Council of Norway awarded the Subsidiary a NOK 9.3 million grant for the project Nanoformulated anti-fungals, which forms an important part of the Company's research activities going forward. Biosergen may not be able to attract similar public funding in the future, and if so, this could have an adverse impact on the Company' future research activities. Biosergen assesses the probability that the risk will occur as low based on its historical record in this area. The Company assesses that the risk, if realized, could cause the Company's own research and development cost burden to increase which would have a medium negative impact on its commercial prospects.

LEGAL AND REGULATORY RISK

BSG005 will have to undergo extensive clinical studies prior to approval

Before a drug can be launched on the market, safety and effect in the treatment of human beings must be ensured. This is done through clinical studies. There is a risk that results from planned studies are not satisfactory, and there is a risk that drug candidates are not judged as safe and/or effective enough to be approved for launch or will take longer time to recruit e.g. due to new treatment options that cannot be foreseen. Results from pre-clinical studies do not always correlate with results from clinical studies performed on humans, and positive results from smaller clinical studies cannot always be replicated in larger trials. Furthermore Biosergen, as well as the rest of the pharmaceutical and biotech industry, are subject to a wide range of laws pertaining to drug development, as well as regulations laid down by the FDA, the EMA and other regulatory authorities, on matters such as orphan drugs, clinical trials, use of data, animal testing, approval processes, requirements to production, marketing, sales, pricing, pharmaco-vigilance and intellectual property rights which may change from time to time. The Company believes that the extensive research and the pre-clinical studies behind BSG005 reduces the risk to low that the drug will encounter particular clinical risks. Specifically, since the fungal pathogen, such as a strain of Candida Albicans, is the same in the laboratory, in test animals and in humans, the fungicidal efficacy of BSG005 in human clinical trials is in the Company's professional estimation more predictable than for many other drugs. However, were this risk to materialise it could have a high negative impact on the Company's commercial prospects.

BSG005 may not be granted orphan or QIDP status by the United States and EU authorities

While the Company has already applied for and expects to be awarded orphan status by the US and EU regulatory authorities, no assurance can be made that it will in fact receive this status. Orphan drug status for BSG005 would provide the Company with a number of advantages, both in association with the regulatory approval process (fast track) and additional guaranteed market exclusivity. In addition, the Company expect to apply for BSG005 to be recognised as a qualified infectious disease product (QIDP) under the United States GAIN regulation, which would confer even more benefits. If Biosergen fails to achieve orphan designation or gain QIDP status for BSG005 in the United States and/or the European Union, the value of the commercial opportunity represented by BSG005 would be reduced. However, the Company regards this risk as low since BSG005 meets all published criteria. If this risk was to materialise, it would have a medium negative impact on the Companies commercial prospects.

Biosergen may not be able to protect its inventions or infringe on the proprietary rights of others

Biosergen's patent application on the Nano formulation of BSG005 is still pending in the United States. The Company may have to limit the claims in this patent or may not be able to achieve patenting on this invention in the United States at all. Even if Biosergen obtains patents covering its product candidates or compositions, it may still be barred from commercialising its product candidates or technologies because of the patent rights of others. Extensive Freedom to Operate searches are expensive and provide no guarantees. The Company has previously carried one out for the BSG005 basis patent with satisfactory results but not yet for the nano patent application. Others may already have filed patent applications covering compositions or formulation products that are similar or identical to Biosergen's or dominate the Company's patents. If so, the Company may be barred from commercial exploitation or may have to pay a royalty to do so. However, based on the Company's decades of experience in the field in which it operates this risk is considered low. However, were this risk to materialise, it could have a high negative impact on the Company's commercial prospects.

RISKS RELATED TO THE OFFERING AND THE UNITS

Future offers and risk for dilution

Since Biosergen generates limited revenue, it is likely that the continued progress of the clinical program for BSG005 will have to be funded by new equity and Biosergen may decide to issue new shares, units or other equity- based securities in the future. New issues and share based instruments like warrants and convertible loans may have a negative effect on the market price of the Company's shares and will reduce the proportionate ownership and voting share of holders of existing shares in the Company. Biosergen assesses the probability that the risk will occur as high. The Company assesses that the risk, if realized, would have a medium negative impact for the shareholder.

Influence from major shareholders

As of the date of the publication of the Prospectus all the Company's shareholders have committed to lock- up provisions preventing them from selling any of the Biosergen shares they held at the time of the Initial Public Offering. However, after the applicable lock-up period of six months has expired, the shareholders affected by the lock-up will be free to sell their shares in Biosergen. Should they decide to do so, it could have a negative impact on the Company's share price. There are no guarantees that the Company's major shareholders will retain their shareholding after the end of the lock-up agreements. The interest of those major shareholders may deviate significantly from, or compete with, the interests of the Company and other shareholders, and these shareholders could exercise their influence over the Company in a manner that is not in the interest of other shareholders of the Company. Biosergen assesses the probability that the risk will occur as low. The Company assesses that the risk, if realized, would have a low negative impact for the shareholder.

Subscription undertakings

The Company's largest shareholder and the management team has conditionally undertaken to subscribe up to SEK 21 million in the Offering. These subscription undertakings are not secured, meaning that there is no secured capital to complete the commitments. Consequently, there is a risk that those who have entered into the subscription undertakings will not be able to fulfil their obligations. Failure to meet the obligations may have a material adverse effect on the Company's ability to successfully complete the Offering. The Company assesses that the probability of the risk occurring is low and that a realization of the risk would have a significant negative impact on the Company's financing, which would have a significant negative effect on the Company's commercial prospects.

Liquidity of the Company's shares

As of the date of publication of the Prospectus, the Company's share has been deemed to meet First North's listing requirements if (i) First North's requirement regarding sufficient supply and demand of the Company's shares are met after the Offering and (ii) the Company receives at least SEK 30 million (60 % of the Offering). If the above conditions are not met, it may cause difficulties for the Company's shareholders to sell their shares on acceptable terms. Even if the Company's share is listed on First North, there is a risk that an active and liquid trade of the shares may not develop or become lasting, which may lead to difficulties for the shareholders to sell their shares and there is a risk that the price of the shares may fall below the price of the shares in the Offering. There is a risk that investors in the Company's Units, at any time, will not be able to sell their shares at a price acceptable to the shareholder, or at all. Biosergen assesses that the probability that the risk will occur is low. The Company assesses that the risk, if realized, would have a large impact on the shareholder.

TERMS AND CONDITIONS FOR THE SECURITIES

General
Biosergen is a Swedish publicly limited liability company. Biosergen is affiliated to an electronic securities system in accordance with the Central Securities Depositories and Financial Instruments (Accounts) Act (SFS 1998:1479). The register is managed by Euroclear Sweden AB, Box 191, 101 23 Stockholm. Thus, no physical share certificates are issued. Shareholders who are entered in the shareholders register and noted in the record register are entitled to all share-related rights.

Biosergen's shares are denominated in SEK, are issued to the holder and issued pursuant to Swedish law and the regulations pursuant to the Swedish Companies Act (SFS 2005:551). All Biosergen's shares are fully paid, freely transferable and of the same share class. Biosergen's share capital is SEK 577,544.375 and the number of shares is 23,101,775. Each share has a quota value of SEK 0.025. The ISIN code of the share is SE0016013460.

The issue of Units
On May 18, 2021 the board of directors of Biosergen resolved on the basis of the authorization granted by the extraordinary general meeting on April 16, 2021, on an issue of Units. One Unit consists of one (1) newly issued share in the Company and one (1) warrant of series TO1. The Offering comprises of up to 5,000,000 shares corresponding to issue proceeds of up to SEK 50,000,000 before transaction costs. The shares have the ISIN code SE0016013460.

The Offering also consists of up to 5,000,000 warrants of series TO1 with the ISIN code SE0016013478. The issue proceeds upon full exercise of the warrants of series TO1 corresponds to SEK 100,000,000 before transaction costs at the warrant exercise price of SEK 20. The full terms and conditions for the warrants of series TO1 are available on the Company's website www.biosergen.net. The warrants will be registered in an electronic securities system with Euroclear Sweden AB and the warrants will be admitted to trading on First North.

In the event of significant oversubscription, the board of directors may decide to allocate a further 2,000,000 Units in a so-called Oversubscription option. Upon exercise of the Oversubscription option, the Company will receive an additional SEK 20,000,000 before transaction costs. In addition, upon full exercise of all the attached warrants of series TO1 in the Oversubscription option, the Company will also receive SEK 40,000,000 before transaction costs at the warrant exercise price of SEK 20.

The offered shares and warrants are freely transferable and are issued pursuant to Swedish law.

Certain rights associated with the shares
The rights associated with the shares issued by Biosergen, including the rights in accordance with the Articles of Association, may only be amended in accordance with the procedure laid out in the Swedish Companies Act (2005:551).

Participation and voting rights at general meetings
Notices to attend general meetings are carried out via announcement in the Swedish Official Gazette and on Biosergen's website. Biosergen shall announce that the notice has been issued by publication in the Swedish newspaper Svenska Dagbladet. Shareholders that want to attend the general meeting shall be registered in the share register managed by Euroclear six banking days before the general meeting and notify attendance to the general meeting to Biosergen at the latest on the day specified in the notice.

Each share carries one (1) vote at Biosergen's general meeting. Each shareholder is entitled to vote for each share the shareholder owns in Biosergen.

Pre-emption rights in the case of new shares etc.
If the Company issues new shares, warrants or convertible bonds, in the event of a cash issue or offset issue, shareholders generally have pre-emption rights, in accordance with the Swedish Companies Act (2005:551), to subscribe for such securities in relation to the number of shares that were held prior to the issue.

Rights to dividend, share of Biosergen's profit and in the event of liquidation
Each share carries equal rights to dividends and to Biosergen's assets and any surplus in the event of liquidation.

Resolutions regarding dividends are made by the shareholders' meeting. The right to dividend accrues to the person who is entered in the share register managed by Euroclear on the record date set by the general meeting. Dividends are normally paid as a cash amount per share through Euroclear's provision but can also be paid out in another form (dividend in kind). If a shareholder cannot be reached, the shareholder retains its claim on the Company in respect of the amount of dividend, subject to a limitation period of ten years. After the end of the ten-year period, the dividend will accrue to Biosergen.

There are no restrictions on dividends being paid out to shareholders residing outside of Sweden. Shareholders not residing in Sweden will usually have to pay withholding taxes on the dividend payment. Biosergen is not, however, obligated to pay any such tax. The shares offered in connection with the Offering carries the right to dividend from the first dividend record date following the Offering.

Biosergen has no dividend policy and has so far not paid any dividends.

Public takeover bids
The Swedish Takeover Act (2006:451) contains fundamental provisions regarding public takeovers related to companies whose shares are traded on a regulated market in Sweden. The act also contains provisions governing mandatory bids and defensive measures. Furthermore, pursuant to the Securities Markets Act (2007:528), a securities exchange has rules related to public takeover bids regarding shares traded on a regulated market that the securities exchange operates. The Nasdaq Stockholm and Nordic Growth Market NGM AB securities exchanges have such rules in place today.

The Swedish Corporate Governance Board, the role of which is to promote good corporate practice on the Swedish stock market, recommends that, in all material respects, equivalent rules should be applied to companies whose shares are traded on multilateral trading platforms such as the Nasdaq First North Growth Market. The applicable regulations for Biosergen are the "Takeover rules for trading platforms" issued by the Swedish Corporate Governance Board on 1 April 2018.

If the Board of Directors or the CEO, because of information from the party who is considering making a public takeover bid on Biosergen's shares, have a valid reason to believe that such a bid will be made in the near future, or if such a bid already has been announced, Biosergen can only act after a resolution has been made by the general meeting, so-called defense measures, which are aimed at worsening the pre-conditions for leaving or completing the offer. This does not, however, prevent Biosergen from looking for alternative bids.

During a public takeover bid, shareholders are free to decide whether they wish to sell their shares. Following a public takeover bid, the person who submitted the bid may, under certain conditions, be entitled to redeem the remaining shareholders' shares in accordance with the rules on compulsory redemption in chapter 22 of the Swedish Companies Act.

A shareholder who holds more than 90% of the shares in the Company, itself or through one or more subsidiaries, has a right to redeem the remaining shares according to chapter 22 of the Swedish Companies Act. Compulsory redemption can also be invoked by a minority shareholder when a majority shareholder has more than 90% of the shares.

Biosergen's shares are not subject to an offer made as a result of a mandatory bid, right of redemption or redemption obligation. Nor have any public takeover offers been made with regard to the shares during the current or previous financial year.

Tax regulation
Investors should be aware that the tax legislation in the investor's member state and the Company's country of registration, which is Sweden, can affect possible income from the securities. Investors are urged to consult independent advisors in respect of the tax consequences that may arise in connection with the Offering.

TERMS AND CONDITIONS FOR THE OFFERING

The Offering
The Offering is being offered to the public in Sweden, Norway and Denmark.

The Offering comprises of 5,000,000 Units. One Unit consists of one (1) newly issued share in the Company and one (1) warrant of series TO1. Each warrant of series TO1 gives the holder a right to subscribe for one (1) new share in the Company.

The Offering comprises of up to 5,000,000 shares corresponding to issue proceeds of up to SEK 50,000,000 before transaction costs at the subscription price of SEK 10 per Unit. The shares have the ISIN code SE0016013460. The Offering also consists of up to 5,000,000 warrants of series TO1 with the ISIN code SE0016013478. The issue proceeds upon full exercise of the warrants of series TO1 corresponds to SEK 100,000,000 before transaction costs at the warrant exercise price of SEK 20.

If the Offering is fully subscribed and all the warrants of series TO1 are exercised, the Company will receive issue proceeds of SEK 150,000,000 before transaction costs, at the warrant exercise price of SEK 20.

In the event of significant oversubscription, the board of directors may decide to issue an additional 2,000,000 Units in a so-called Oversubscription option (the "**Oversubscription option**"), which consists of an additional 2,000,000 shares. Upon exercise of the Oversubscription option, the Company will receive an additional SEK 20,000,000 before transaction costs. In addition, upon full exercise of all the attached warrants of series TO1 in the Oversubscription option, the Company will also receive SEK 40,000,000 before transaction costs at the warrant exercise price of SEK 20. Hence, the total proceeds to the Company from the Offering could amount to SEK 210,000,000 before transaction costs.

Subscription price
The subscription price is SEK 10 per Unit corresponding to SEK 10 per share. The warrants of series TO1 are issued free of charge. No commission will be charged. The valuation of the Company is based on the market potential of BSG005 and comparisons with already listed antifungal peer companies.

Subscription period
The subscription period for the Units runs from May 21, 2021 until June 4, 2021, both days included.

The board of directors reserves the right to extend the subscription period. Any extension of the subscription period shall be resolved before the end of the subscription period and be made public through a press release.

Minimum subscription
Applications should be made for a number of Units. The minimum accepted subscription is for 500 Units, corresponding to SEK 5,000. However, any number of additional Units may be subscribed for.

Terms for completion of the Offering
The Offering is conditional on no circumstances arising that may result in the timing for carrying out the Offering being deemed inappropriate. Such circumstances may, for example, be of an economic, financial or political nature, and refer to circumstances in Sweden as well as abroad as well as that the interest in participating in the Offering is deemed insufficient by the board of directors. The board of directors has resolved to withdraw the Offering if less than 3,000,000 Units are subscribed for in the Offering. The Offering may also be withdrawn if the Company cannot meet First North's requirement regarding sufficient supply and demand of the shares or if, for other reasons, the Company's shares cannot be admitted to trading on First North. If the Offering is withdrawn, this will be published as soon as possible by press release no later than before contract notes are sent out, which is expected to take place on June 9, 2021. The Company cannot withdraw the Offering after the trading of the securities has begun.

Oversubscription option
In the event of significant oversubscription, the board of directors may decide to issue a further 2,000,000 Units. The board of directors has resolved only to exercise the Oversubscription option in full, and only if the Offering is oversubscribed by 50% or more.

If the Oversubscription option is exercised, an additional 2,000,000 Units consisting of 2,000,000 newly issued shares and 2,000,000 warrants of series TO1 are issued. The terms and conditions for the Oversubscription option are the same as in the Offering.

Terms and conditions for warrants of series TO1
Each warrant of series TO1 gives the right to subscribe for one (1) new share in the Company against cash payment. The exercise price is SEK 20. Subscription of new shares through the exercise of warrants of series TO1 will take place during the exercise period which runs from May 30, 2022 to June 10, 2022, both days included. The full terms and conditions for the warrants of series TO1 are available on the Company's website www.biosergen.net.

Listing of warrants of series TO1
The board of directors of Biosergen intends to apply for listing of the warrants of series TO1 on First North. The first day of trading 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. Subscription forms sent by mail should be sent in well advance of the last day of the subscription period. Incomplete, difficult-to-read or incorrectly completed subscription forms may be disregarded, as will subscription forms applying for less than the minimum of 500 Units. Only one (1) subscription form per subscriber will be considered. Should several subscription forms be submitted, only the last subscription form will be considered.

Anyone who applies for subscription of Units must have a securities account or a custody account with a bank or other nominee where the delivery of the securities can be made. Please note that Norwegian and Danish investors who wish to subscribe for Units in the Company need a securities account or custody account where their Swedish (foreign) securities can be held. Persons who do not have a securities account or a custody account must open a securities account or custody account with a bank or nominee before the subscription form is submitted to DNB. Please note that this may take time. DNB cannot hold the securities in question.

Anyone who has a custody account or account with specific rules for securities transactions, for example investment savings account (Sw. investeringssparkonto) or capital insurance account (Sw. kapitalförsäkringskonto), must confer with their bank/nominee holding the account if and how purchases of the securities in connection with the Offering is possible. In this case, application for subscription shall be made in consensus with the bank/nominee holding the account. DNB can receive subscription forms from bank/nominees on behalf of customers.

Please note that subscription is irrevocable and binding.

Completed subscription forms shall be submitted to:

Securities Services & Custody
DNB Markets
DNB Bank ASA, filial Sverige
105 88 Stockholm
SWEDEN
Telephone: +468 473 45 40
E-mail: emissioner@dnb.se

Application through Nordnet
Nordnet clients in Sweden, Norway and Denmark can subscribe through Nordnet's webservice. Application to acquire Units 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. To ensure that they do not lose their right to allocation, Nordnet customers must have sufficient funds available on their account from 11:59 p.m. on June 4, 2021 until the settlement date, which is expected to be June 23, 2021. Full details of how to become a Nordnet customer and the application procedure via Nordnet are available on www.nordnet.se. For customers that have a Nordnet investment savings account, should an application result in allocation, Nordnet will purchase the equivalent number of Units to the Offering and resell the Units to the customer at a price corresponding to the subscription price in the Offering.

Application via Avanza
Custody account holders at Avanza can apply for the acquisition of Units via Avanza's online services during the period May 21, 2021 up to and including 11:59 p.m. on June 4, 2021. To ensure that no one who subscribed for and was allotted Units do not lose the right to these, Avanza depository account customers must have sufficient funds available in their depository account for the payment of allotted Units from June 4, 2021 until the settlement date on June 23, 2021. More information on the application procedure via Avanza can be found at (www.avanza.se).

Allocation
In the event of over-subscription, the board of directors of Biosergen will decide on the allocation of Units with the objective of ensuring a good shareholder base and a broad distribution of the shares among the general public so as to facilitate regular and liquid trading in the Company's shares on First North. In the event of oversubscription, allocation may be with fewer Units than what was subscribed for or be completely withdrawn. Allocation may also be made through random selection, both in partial or in full.

Allocation via Nordnet
Those subscribing via Nordnet's webservice receive notification of allocation through a notification of the acquisition of Units against a simultaneous debiting of cash on the specified depository, which is expected to take place on or about June 9, 2021.

Allocation via Avanza
Those applying via Avanza's internet service receive notification of allotment through a notification of the acquisition of Units against a simultaneous debiting of cash on the specified depository, which is expected to take place on or about June 9, 2021.

Notification of allocation
As soon as possible after the board of directors have decided on the allocation, a contract note will be sent to those subscribers who have been allocated Units. Those subscribers who were not allocated Units will receive no notification. The allocation does not depend on when the subscription form is received during the subscription period. In the event of oversubscription, the allotment may be withheld or made with a smaller number of Units than specified in the subscription list, whereby the allotment may be made wholly or in part by random selection.

Announcement of the outcome of the Offering
The Company will announce the outcome of the Offering and the potential Oversubscription option as soon as possible after the subscription period has ended. The announcement is expected to take place on June 8, 2021. The announcement will be made through a press release and be available on the Company's website.

Payment
Payment must be made within three (3) bank days after the contract note has been sent to the subscribers. Payment shall be made in accordance with the instructions on the contract note. If payment is not made in time, Units may be assigned to someone else. Payment may be claimed from those who have not paid for subscribed Units. If the payment for the Units is made too late or is insufficient the subscription may be disregarded. The payment will in such case be refunded. In the event that a larger amount than required has been paid by a subscriber for the Units, DNB will arrange for the excess amount to be refunded. No interest will be paid on the excess amount. However, amounts less than SEK 100 will not be refunded.

Payment via Nordnet
For those who are custody account holders at Nordnet, allocated Units will be booked against debiting of cash at the specified depository on or about June 9, 2021, when notification of allocation is sent, and at the latest on the settlement date on June 23, 2021. Note that funds for the payment of allocated Units must be available in the depository from the last day of the subscription period June 4, 2021 until the settlement date June 23, 2021.

Payment via Avanza
For those who are custody account holders at Avanza, allocated Units will be booked against debiting of cash at the specified depository on or about June 9, 2021, when notification of allocation is sent, and at the latest on the settlement date of June 23, 2021. Note that funds for the payment of allocated Unites must be available in the depository from the last day of the subscription period June 4, 2021 until the settlement date June 23, 2021.

Shareholders resident in certain ineligible jurisdictions
The grant of Units to persons resident in, or who are citizens of countries other than Sweden, Norway and Denmark may be affected by the laws of the relevant jurisdiction. The Offering will not be directed to persons who are residents of USA, Canada, Japan, New Zeeland, Hong Kong, Switzerland, Singapore, South Africa or Australia or any jurisdiction in which such offering would be unlawful or where such offering would require registration or other measures.

Dividend
The shares offered in connection with the Offering carries the right to dividend from the first dividend record date after the new shares have been registered with the Swedish Companies Registration Office. If provided, dividends are paid on the basis of a decision taken at the general meeting.

Biosergen has no dividend policy and has so far not paid any dividends.

Delivery of shares and warrants
After the subscribed and allocated Units have been paid and when the new shares and warrants have been registered with the Swedish Companies Registration Office, Euroclear will send a notification to those subscribers who have specified a securities account in the subscription form as a confirmation that the deposit of the new shares and warrants have been made on the subscriber's securities account. Subscribers who have stated a custody account in the subscription form will be informed by the nominee according to the routines of the nominee. The new shares and warrants are expected to be registered with the Swedish Companies Registration Office around June 21, 2021. The delivery of the shares and the warrants to securities accounts or custody accounts is expected to take place around June 23, 2021. The new shares and warrants are expected to be admitted to trading on First North on June 24, 2021.

The Company will not register any paid subscribed shares or units and no trade in paid subscribed shares or units will consequently occur.

Dilution
If the Offering is fully subscribed, the number of outstanding shares will increase by 5,000,000 newly issued shares from 23,101,775 to 28,101,775 corresponding to a dilution of approximately 17.8%. If the Oversubscription option is exercised, the number of shares in the Company will increase by a further 2,000,000 newly issued shares from 28,101,775 to 30,101,775 corresponding to a total dilution of approximately 23.3%.

If all the attached warrants of series TO1 from the Offering and the Oversubscription option are exercised, the number of outstanding shares will increase further by 7,000,000 from 30,101,775 to 37,101,775 corresponding to a total dilution of approximately 37.7%.

Subscription undertakings
The Company has received conditional subscription undertakings of up to SEK 21 million corresponding to 42% of the Offering.

The Company's largest shareholder, Östersjöstiftelsen has entered into an irrevocable subscription undertaking whereby Östersjöstiftelsen commits to subscribe Units for up to SEK 20 million on a krona-for-krona basis with any new investors in the Offering. Hence, and for illustration purposes only, if new investors subscribe Units for a total of SEK 15 million in the Offering, Östersjöstiftelsen will

likewise subscribe for SEK 15 million in Units and the total amount raised in the Offering would be SEK 30 million.

The members of the Company' senior management team, comprising of Dr. Peder M. Andersen (CEO), Dr. Richard Forster (CTO) and Niels Laursen (CFO) have together undertaken to subscribe for SEK 1 million.

Abovementioned subscription undertakings were entered into on May 17, 2021. The subscription undertakings are not secured by means of bank guarantees, restricted funds, pledging or any similar arrangement. Accordingly, there is a risk that the undertakings, in whole or in part, will not be fulfilled. No fees or commissions are payable on the subscription undertakings.

The table below cover the subscription undertakings as of the date of this Prospectus, including commitments by the members of the executive management.

Subscription undertakings

Name	Units		% of the Offering	Address
Östersjöstiftelsen*	2,000,000	20,000,000	40.00 %	Alfred Nobels Allé 7, 141 52 Huddinge, Sweden
Peder M. Andersen	56,5000	565,000	1.13 %	Havneholmen 86, 5th., 1561 København V, Danmark
Richard Forster	23,500	235,000	0.47 %	Southfield, Rake Lane, Ulverston, Cumbria LA12 9NG, United Kingdom
Niels Laursen	20,000	200,000	0.40 %	Gravvængevej 10, 5700 Svendborg, Denmark
Total	2,100,000	21,000,000	42.00 %	

*Östersjöstiftelsens undertaking is conditional, meaning that Östersjöstiftelsen has undertaken to match any new subscription 1-to- 1 up to SEK 20,000,000.

Lock-up undertaking

The Company's existing shareholders, including its CEO Dr. Peder M. Andersen have undertaken against the Company not to transfer, pledge or otherwise divest shares in Biosergen for a period of six (6) months from the date of completion of the Offering, whether for shares already held or shares acquired in the Offering. The lock-up undertaking is subject to customary exemptions, for example in the event that a public takeover offer is submitted for all shares in the Company.

Hence, 100% of the outstanding shares in the Company at the date of the Prospectus is covered by the lock- up undertaking. Following a fully subscribed Offering, 82.2% of the Company's outstanding shares will be locked up for a period of six months (76.7% of the outstanding shares if the Oversubscription option is exercised).

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

As of the date of the Prospectus, the Board of Directors consists of seven members, including the chairman of the Board, elected up until the end of the 2022 annual general meeting. According to Biosergen's articles of association, the Board of Directors is to consist of not less than three (3) and not more than seven (7) board members. The number of deputy members is to consist of zero (0) to three (3) members. No deputy member has been appointed. The Board of Directors and senior management can be contacted via Biosergen's address Fogdevreten 2, 171 65 Solna, Sweden.

Name	Position	Board member since	Independent in relation to: The Company and its management	Major shareholders
Dr. Torsten Goesch	Chairman	2021*	Yes	No
Dr. Lena Degling Wikingsson	Board member	2021	Yes	Yes
Dr. Achim Kaufhold	Board member	2021	Yes	Yes
Henrik Moltke	Board member	2021	Yes	Yes
Mattias Klintemar	Board member	2021	Yes	No
Marianne Kock	Board member	2021	Yes	Yes
Hanne Mette Dyrlie Kristensen	Board member	2021	Yes	Yes

* Dr. Torsten Goesch has been the chairman of the Subsidiary Biosergen AS since 2015.

Dr. Torsten Goesch | Chairman of the Board of Directors

Education: Dr. Torsten Goesch holds a M.D. and Ph.D. from the Heinrich Heine University Düsseldorf and a Master of Management (MBA) from Northwestern University's J.L. Kellogg Graduate School of Management.

Previous assignments/engagements: Dr. Goesch previously served as the General Manager for the German Speaking Countries at Biogen, and before that as the Commercial Head of Merck KGaA's worldwide generic drug business, Merck Generics. Furthermore, he served as the Head of Strategy and Acquisition in the pharma division of Merck KGaA. Dr. Goesch has also served as chairman of Clanotech AB.

Other material ongoing assignments: Dr. Goesch is a partner and director of Rosetta Capital Limited. He serves as the chairman of the boards of Dilafor AB and Obvia Pharmaceuticals Ltd. Dr. Goesch also serves as a board member of Modus AB, Eyesense GmbH, Forward Pharma A/S, Karolinska Development Invest AB, Promore Pharma AB, Vistagen Pte Ltd.

Holdings: As of the date of the Prospectus, Dr. Torsten Goesch owns no shares or other securities in the Company.

Dr. Lena Degling Wikingsson | Board Member

Education: Dr. Lena Degling Wikingsson holds a Ph.D. in Pharmaceutical Science and a Master of Science (MSc) in Pharmacy, both from Uppsala University, Sweden.

Previous assignments/engagements: Dr. Wikingsson was previously CEO of AVARIS AB, chair of the board of NextCell Pharma AB and board member of Eurocine Vaccines AB and AVARIS AB. She has also held positions at SBL Vaccines, Accuro Immunology, and was biotechnology assessor at the Medicinal Products Agency of Sweden.

Other material ongoing assignments: Dr. Lena Degling Wikingsson is currently the chair of the board of XNK Therapeutics AB, Simplexia AB and Dilafor Incentive AB and a board member of Alzinova AB. She also serves as CEO of Dilafor AB.

Holdings: As of the date of the Prospectus, Dr. Lena Degling Wikingsson owns no shares or other securities in the Company.

Dr. Achim Kaufhold | Board Member

Education: Dr. Achim Kaufhold holds an M.D from University of Cologne, Germany and a Professorship in Medical Microbiology and Infectious Diseases from University of Aachen, Germany.

Previous assignments/engagements: Dr. Achim Kaufhold most recently served as CMO at Basilea Pharmaceutica in Switzerland. Dr. Kaufhold has also served as a board member of VAXIMM GmbH, CEO of Affitech, Pharmexa and CMO of Berna Biotech, among others.

Other material ongoing assignments: Dr. Kaufhold serves as CMO of the Swedish biopharmaceutical company, Hansa Biopharma AB.

Holdings: As of the date of the Prospectus, Dr. Achim Kaufhold owns no shares or other securities in the Company.

Henrik Moltke | Board Member

Education: Henrik Moltke holds a Master of Science (MSc) from Copenhagen Business School.

Previous assignments/engagements: Mr. Moltke was a co-founder of NeuroSearch and previously served as this company's CFO. Since 2006, Mr. Moltke has served in senior executive and board positions with several small and mid-sized biotech companies, including as CFO of Oncology Venture A/S (now Allarity Therapeutics A/S), Scandinavian Micro Biodevices ApS (now Zoetis Denmark ApS) and as director of finance in Zoetis Denmark ApS.

Other material ongoing assignment: Mr. Moltke is currently CFO of FluoGuide A/S and a board member of Initiator Pharma A/S and Hartmanns A/S.

Holdings: As of the date of the Prospectus, Henrik Moltke owns no shares or other securities in the Company.

Mattias Klintemar | Board Member

Education: Mattias Klintemar holds a Bachelor of Business Administration (BBA) in Accounting and Finance from Karlstad University.

Previous assignments/engagements: Mr. Klintemar previous experience includes Hexaformer Produktion AB and ABG Sundal Collier AB. Mr. Klintemar has also served as Chairman of Dilafor AB and SealFX AB and as a board member of Axelar AB, Phoniro AB, Oatly AB and ASSA ABLOY Global Solutions AB.

Other material ongoing assignments: Currently, Mr. Klintemar serves as Investment Director at Östersjöstiftelsen and as the chairman of the board of Luci Intressenter AB. Mr. Klintemar also serves as a board member of the Swedish companies Palette Life Sciences AB (previously Pharmanest), Moberg Pharma AB (publ.), Cereal Base CEBA Aktiebolag, Oatly Group AB, Klintemar Konsult AB, Castello di Vaglio Serra AB, OncoZenga AB and DBT Capital AB. Mr. Klintemar serves as a deputy board member of Oatly AB, Oatly Sweden Operations & Supply AB, Oatly EMEA AB, MLJK Konsult AB and Havrekärnan AB.

Holdings: As of the date of the Prospectus, Mattias Klintemar owns no shares or other securities in the Company.

Marianne Kock | Board Member

Education: Marianne Kock holds a master's degree in Pharmacy from University of Copenhagen and an Executive MBA from Copenhagen Business School.

Previous assignments/engagements: Marianne Kock previously held several senior positions at Ferring Pharmaceuticals A/S and served as a board member of Fertin Pharma A/S and Bionor Pharma AS.

Other material ongoing assignments: Marianne Kock is currently General Manager at Ferring Pharmaceuticals A/S' IPC Development Unit in Copenhagen. In addition, she serves as board member of Asarina Pharma AB (publ).

Holdings: As of the date of the Prospectus, Marianne Kock owns no shares or other securities in the Company.

Hanne Mette Dyrlie Kristensen | Board Member

Education: Hanne Mette Dyrlie Kristensen holds a master's degree in biochemistry from the University of Oslo and a Master of Technology Management (MTM) from Norwegian University of Science and Technology (NTNU)/Norwegian School of Economics (NHH)/Massachusetts Institute of Technology, Sloan School of Management.

Previous assignments/engagements: Hanne Mette Dyrlie Kristensen previously held senior positions at Innovation Norway, Oslo Cancer Cluster, Oslo Cancer Cluster Incubator and Norway Health Tech.

Other material ongoing assignments: Hanne Mette Dyrlie Kristensen is CEO of the Life Science Cluster and founder of Oslo Life Science Advisors AS. In addition, she is a board member of Regionale Forskningsfond, RFF Viken and Oslo Cancer Cluster Incubator.

Holdings: As of the date of the Prospectus, Hanne Mette Dyrlie Kristensen owns no shares or other securities in the company.

SENIOR MANAGEMENT

Name	Position	Employed since
Dr. Peder M. Andersen	Chief Executive Officer	February 2021*
Niels Laursen	Chief Financial Officer	February 2021*
Dr. Richard Forster	Chief Technical Officer	February 2021*

* Mr. Laursen and Mr. Forster are currently retained to the Company on consulting contracts. Peder M. Andersen has been the CEO of the Subsidiary Biosergen AS since 2017.

Dr. Peder M. Andersen | Chief Executive Officer

Education: Dr. Peder M. Andersen has graduated as a Doctor of Medicine from the University of Copenhagen.

Previous assignments/engagements: Dr. Peder M. Andersen was previously COO and CEO of Forward Pharma A/S and was instrumental in the IPO on Nasdaq stock exchange in New York in October 2014 (USD 235m).

Other material ongoing assignments: Dr. Andersen is a Clinical Advisor at the Swedish company, PharmNovo AB and a board member and the CEO of the Subsidiary Biosergen AS. Dr. Andersen is also a board member of Select Pharma Pty Ltd.

Holdings: As of the date of the Prospectus, Dr. Peder M. Andersen owns 1,139,905 shares in the Company through his wholly owned company Fred Management ApS, corresponding to approximately 4.9% of the shares in Biosergen. Dr. Andersen also holds 653,263 warrants in the Company.

Niels Laursen | Chief Financial Officer

Education: Niels Laursen holds a Master of Science (MSc) in Economics and Business Administration from Copenhagen Business School.

Previous assignments/engagements: Mr. Laursen was previously CFO of Oncology Ventures A/S (now Allarity Therapeutics A/S) and owner and partner of DWork, a strategy and business development consultancy firm.

Other material ongoing assignments: None

Holdings: As of the date of the Prospectus, Niels Laursen owns no shares or other securities in the Company.

Dr. Richard Forster | Chief Technical Officer

Education: Richard Forster holds a Ph.D. and a Bachelor of Science (BSc) in Chemistry from Imperial College London.

Previous assignments/engagements: Dr. Forster previously worked at Glaxo and later Fisons in senior clinical development and quality assurance roles. Since 1996 he has been operating as an independent CMC consultant to the pharmaceutical industry. His consultancy support includes outsourcing management, QA support and clinical supply inventory planning, as well as detailed day-to-day QA, drug product and clinical supply CMC activities.

Other material ongoing assignments: Richard Forster is currently a CMC consultant to the pharmaceutical industry.

Holdings: As of the date of the Prospectus, Richard Forster owns 108,877 warrants in the Company.

Other information about the Board of Directors and the senior management

There are no family ties between the members of the Board or the senior management. None of the board members or senior management in Biosergen have, over the past five years, been (i) convicted in fraud- related court cases, (ii) been subject to any accusations and/or sanctions levelled from or resolved by an authority (including authorized professional societies (iii) represented a company that has been declared bankrupt or that has involuntarily entered into liquidation, (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company.

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration to the Board of Directors

The chairman and the other members of the Board of Directors are paid a fee in accordance with the decision of the shareholder's meeting.

The Company was incorporated on February 12, 2021. At the extraordinary general meeting on April 16, 2021, it was resolved that the annual remuneration to each of the board members shall amount to EUR 25,000 and EUR 40,000 for the chairman of the Board of Directors.

Remuneration during 2020

The table below presents the remuneration paid during the 2020 financial year to board members and the members of the senior management. The table also includes renumerations paid by the Company's subsidiaries.

The Company has no accrued expenses for pensions, benefits or similar when board members or members of the senior management resigns from their positions.

Name	Salaries and remunerations (SEK)	Pensions (SEK)	Other (SEK)
Dr. Torsten Goesch	-	-	-
Dr. Lena Degling Wikingsson	-	-	-
Dr. Achim Kaufhold	-	-	-
Henrik Moltke	-	-	-
Mattias Klintemar	-	-	-
Marianne Kock	-	-	-
Hanne Mette Dyrlie Kristensen	-	-	-
Dr. Peder M. Andersen	1,309,165	-	-
Niels Laursen	-	-	-
Richard Forster	395,456	-	-
Total	**1,704,621**	**-**	**-**

FINANCIAL INFORMATION AND KEY FIGURES

This section presents selected financial information for Biosergen, at a group level for the Subsidiary Biosergen AS for the financial years ending December 31, 2020 and 2019, respectively (audited) and for the parent company Biosergen AB for the period February 26, 2021 to March 31, 2021 (audited). Biosergen AS's financial statements have been prepared in accordance with the Norwegian generally accepted accounting principles ("Norwegian GAAP") and has been audited by PricewaterhouseCoopers (PwC). The accounts are prepared in Norwegian kroner and the amounts are given in NOK thousand unless stated otherwise. Biosergen AB's financial report has been prepared in accordance with the Swedish generally accepted accounting principles ("Swedish GAAP"), K3, and has been audited by Öhrlings PricewaterhouseCoopers AB (PwC).

The Financial information is incorporated by reference in accordance with the following:

Biosergen AB's financial report 2021-02-26 – 2021-03-31 (audited)	
Income statement	Page 3
Balance sheet	Page 4
Notes	Page 8
The financial report 2021-02-26 – 2021-03-31 can be found on the following link: https://biosergen.net/investors/filings	

Biosergen AS's annual report 2019 and 2020 (audited)	
Group income statement	Page 2
Group balance sheet	Page 3
Group statement of changes in equity	Page 15
Group cash flow statement	Page 14
Notes	Page 4-13
Annual report 2019 and 2020 can be found on the following link: https://biosergen.net/investors/filings	

Auditors reports	
Auditors report 2019 and 2020	https://biosergen.net/investors/filings
Auditors report 2021-02-26 – 2021-03-31	https://biosergen.net/investors/filings

KEY RATIOS

The table below shows certain key ratios for the 2019 and 2020 financial years. The table has not been independently audited.

		Audited	
	Financial report Feb. 26-Mar 31, 2021[SEK]	**FY-2020**[NOK]	**FY-2019**[NOK]
Company	Biosergen AB	Biosergen AS	Biosergen AS
Accounting principles	Swedish GAAP	Norwegian GAAP	Norwegian GAAP
Net income per share[1]	0.0	-0.04	-0.04
Equity per share[1]	1.0	0.06	0.02
Equity/assets ratio[1] (%)	9%	83%	28%
Average number of shares[2]	25,000	108,877,103	108,877,103

[1] Defined by the Company's applicable accounting principles and therefore not considered an alternative performance measure according to ESMA's guidelines | [2] Non-financial measure – ESMA guidelines do not apply

Net income per share
Biosergen's net income/loss divided by the average number of shares for a given period. Net income per share provides an indication of the underlying profitability of Biosergen's business.

Equity per share
Biosergen's equity divided by the average number of shares during the period. Equity per share provides an indication of the underlying value of Biosergen and is frequently used as a comparison to the share price.

Equity/assets ratio
Biosergen's equity divided by total assets, expressed in per cent. Equity per assets provides an indication of the proportion of Biosergen's assets on which shareholders have a residual claim.

Average number of shares
The average number of issued shares during the period. The average number of shares provides a better basis for the per share ratios listed above since the number of shares can change considerably during the period.

Material changes of Biosergen's financial position after 31 December 2020 until the date of this Prospectus
An Extraordinary General Meeting was held on February 12, 2021 in the Subsidiary Biosergen AS, where the Subsidiary converted NOK 8,999,993.80 of the Subsidiary's loans from Östersjöstiftelsen to 2,647,057 shares in the Subsidiary.

A board meeting was held on May 4, 2021 in the Company, where the board converted a SEK 6,774,015.50 loan from Östersjöstiftelsen to 796,943 shares in the Company with the support of an issue authorisation from the extraordinary general meeting held April 16, 2021.

Furthermore, the Board of Directors of the Company resolved on May 18, 2021 with the support from the Extraordinary General Meeting on April 16, 2021, to carry out the proposed Offering and the Oversubscription Option of a total of SEK 70 million to finance the Company's continued clinical development of BSG005.

Other than the above, there have been no material changes regarding the Company's financial position after 31 December 2020 until the date of this Prospectus.

Dividend policy
Biosergen does not have a dividend policy in place and has at this date never paid a dividend to its shareholders. Biosergen is currently in an expansion phase and plans to re-invest any profits in continued Company development. Therefore, no dividend is expected to be paid in the next few years.

SHAREHOLDING, LEGAL ISSUES AND OTHER INFORMATION

GENERAL INFORMATION

All shares of Biosergen are of the same share class and carry one vote at the general meetings. All issued shares are fully paid and freely transferable. The shares are denominated in Swedish Krona (SEK) and the shares are issued according to Swedish Law. The shares have the following ISIN code: SE0016013460. Each share carries one vote per share.

The Company was incorporated on February 12, 2021. When the Company was incorporated, the share capital amounted to SEK 25,000 distributed on 25,000 shares. Each share had a quota value of SEK 1. As of the date of the Prospectus, Biosergen's share capital is SEK 577,544.375 distributed on 23,101,775 shares. Each share has a quota value of SEK 0.025.

GROUP STRUCTURE

Biosergen AB is the parent company in the group, which in addition to the parent company consists of the wholly owned Norwegian Subsidiary Biosergen AS which in turn owns 100% of the Australian subsidiary Select Pharma Pty Ltd. In August 2015, the Subsidiary Biosergen AS entered into a joint venture agreement with two other parties where the Subsidiary owned 60% of the joint venture Zhangjiakou Biosergen Pharma Ltd in China. The joint venture is currently under liquidation but does not pose a financial risk to the Company since almost all the previously injected funds have been recuperated.

OWNERSHIP STRUCTURE

As of the date of publication of the Prospectus, the Company has 5 direct shareholders of which 4 have ownership interests of more than 5%. In so far as known to the Company, the name of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is equal or above 5% of capital or total voting rights, together with the amount of each such person's interest, as at the date of the registration document is listed in the table below as of the date of the Prospectus.

Name	Number of shares	Share of votes and capital
Östersjöstiftelsen	10,323,088	44.69%
Rosetta Capital IV Sarl	8,864,619	38.37%
SINTEF Venture AS	1,872,829	8.11%
Total	**21,060,536**	91.16%

SHAREHOLDERS' AGREEMENT

Biosergen is not aware of any shareholders' agreement or any other understanding or similar agreements between Biosergen's shareholders intended to exercise joint control of Biosergen. Neither is Biosergen aware of any agreement or arrangement that would lead to a change of control in Biosergen.

INCENTIVE PROGRAMS

The Company currently has two outstanding incentive programs consisting of 1,219,423 and 669,144 warrants resolved by the extraordinary general meeting on April 16, 2021. As a result, the Company's share capital may be increased by a maximum of SEK 30,485.575 and SEK 16,728.60. For each warrant, the holder has the right to subscribe for a new share against cash payment at a subscription price of SEK 1.06 respectively SEK 10. Subscription of shares with the support of warrants can take place from April 16, 2021 until December 31, 2031. The incentive programs are directed towards certain key personnel and consultants to the Company. Currently, the incentive programs cover a totalt of four persons.

MATERIAL AGREEMENTS

Below is a summary of the material agreements that are not within the Company's ordinary course of business and that have been entered into by Biosergen during the last twelve months prior to the date of the Prospectus.

Manufacturing agreement between Biosergen AS and Symbiosis Pharmaceutical Services Limited

In January 2021, the Subsidiary Biosergen AS entered into an agreement with Symbiosis Pharmaceutical Services Limited ("Symbiosis") which states that Symbiosis will manufacture one technical batch and one clinical batch of lyophilised BSG005 along with testing of the finished batches as well as clinical labelling and packaging. Symbiosis will provide good manufacturing practise ("GMP") confirmation for the clinical batch for activities undertaken by Symbiosis. Symbiosis will also support the Subsidiary by managing approved stability studies of the clinical batch according to the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use ("ICH"). The agreement is a standard contract manaufacturing agreement with equal sums paid upon reservation of the manufacturing slot and delivery of material, and it imposes no other future financial obligations Biosergen. The agreement is governed by the laws of Scotland.

Consortium agreement between Biosergen AS and SINTEF AS and contract with the Norwegian Research Council

In June 2020, the Subsidiary Biosergen AS entered into a consortium agreement with SINTEF AS with the main objective to develop two new formulations based on nanotechnology of the Subsidiary's substance BSG005. Under the agreement, the Subsidiary will inter alia deliver BSG005 and take care of all commercial and clinical aspects and SINTEF AS will inter alia produce and develop formulations of nanoparticles loaded with BSG005 for both oral and lung delivery. According to a contract with the Norwegian Research Council, the project has been granted financial support from the Norwegian Research Council. The financial support from the Norwegian Research Council is limited to 50% of the approved actual project costs and the support is subject to conditions from the Norwegian Research Council. The project is estimated to be completed in June 2023. A party may withdraw from the consortium agreement with the effect that the agreement terminates at the end of the calendar year. The other party must be notified of such withdrawal by 1 July that year. The Norwegian Research Council may also terminate the contract with the effect that the consortium agreement immediately terminates. The agreement is governed by the laws of Norway.

Exclusive patent license agreement between Biosergen AS and SINTEF TTO

In March 2021, the Subsidiary Biosergen AS entered into a patent license agreement with SINTEF TTO ("Technology Transfer Office") which gives the Subsidiary a worldwide, exclusive licence to use and further develop the patents and patent applications named microbubbles for lung targeting, novel PACA materials, Targeted PACA nanoparticles and PACA nanoparticles with stabilisers, exclusively for the purpose of development, production and commercialisation of nanoparticles comprising BSG005. The patent license agreement is an appendix to the consortium agreement with SINTEF AS described above. The Subsidiary has the right to terminate the agreement with 3 months written notice to SINTEF TTO. The agreement is governed by the laws of Norway.

Agreement between Biosergen AS and Ardena Södertälje AB

In September 2020, the Subsidiary Biosergen AS entered into two agreements with Ardena Södertälje AB ("Ardena"). One agreement has been entered into regarding a research and development project which states that Ardena shall provide feasibility studies and development of a preparative purification method of BSG005. An amendment to this agreement was entered into in December 2020 regarding certain subtasks that Ardena would perform to prepare the process for manufacturing of a technical batch. Under the other agreement, Ardena shall manufacture a 100-grams technical batch and a 100-grams GMP batch based on the results from the agreement with Ardena described above. An amendment to this agreement was also entered into regarding a change of batch size for the technical manufacturing. The projects under the agreements with Ardena will be finalised in June/July 2021. The agreements are governed by the laws of Sweden.

RELATED PARTY TRANSACTIONS

Inter-Company License Deed between Biosergen AS and Select Pharma Pty Ltd

In October 2018, the Subsidiary Biosergen AS entered into an agreement with its wholly owned subsidiary Select Pharma Pty Ltd ("Select Pharma"), which inter alia gives Select Pharma a non-exclusive, royalty-free license to exploit the patent BSG005 and know-how in Australia and other patents or patent applications which relate to BSG005 for the purpose of conducting research and development activities. Under the agreement, Select Pharma will own any and all rights to the results of the research and development. However, Select Pharma will grant the Subsidiary a royalty-free, worldwide exclusive license outside Australia to exploit any results for the purpose of conducting research and development. Select Pharma also grants the Subsidiary an exclusive option to purchase or license the results from Select Pharma. This agreement has been entered into to get the benefits under the Australian research and development tax incentive which enables companies to offset certain research and development costs. The Subsidiary has the right to terminate the agreement upon 30 days written notice if the Subsidiary has a genuine and reasonable belief that further research activities undertaken by Select Pharma are no longer feasible or required. The agreement is governed by the laws of Victoria, Australia.

Services Agreement between Biosergen AS and Select Pharma Pty Ltd

In December 2018, the Subsidiary Biosergen AS entered into a service agreement with Select Pharma. The agreement states that the Subsidiary may, but has no obligation to, engage Select Pharma to provide certain services with respect to a project. The services and the project will be specified between the parties in a separate appendix to the agreement. As an appendix to the agreement, it is stated that Select Pharma shall manage and follow up on activities related to clinical trials in Australia in relation the patent BSG005. The Subsidiary will own any and all intellectual property rights and all information, data and material arising from the services provided by Select Pharma. This agreement has been entered into to get the benefits under the Australian research and development tax incentive which enables companies to offset certain research and development costs. The Subsidiary has the right to terminate the agreement upon 30 days written notice if the Subsidiary has a genuine and reasonable belief that further research activities undertaken by Select Pharma are no longer feasible or required. The agreement is governed by the laws of Victoria, Australia.

Bridge Loan agreements with Östersjöstiftelsen 2019/2020

In October 2019 and September 2020, Östersjöstiftelsen, which is the largest shareholder of Biosergen, granted the Subsidiary Biosergen AS two loans of NOK 5,000,000 each. The loans carry an interest of 8% per annum. According to the agreements, the loans shall be repaid on December 1, 2021 and December 1, 2022 respectively. Prior to the stated repayment dates, the Subsidiary has the right to request a conversion of whole or a part of the outstanding amount including capitalized interest into shares in the Subsidiary. On a shareholders' meeting on February 12, 2021 in the Subsidiary, the Subsidiary resolved to convert NOK 8,999,993.80 of the loans into 2,647,057 shares in the Subsidiary. The rest of the loan has been transferred to Biosergen AB and set-off against shares in Biosergen AB in an issue by way of set-off with a subscription price of SEK 8.5 per share decided by the Board, with the support of an issue authorisation, on May 4, 2021.

Bridge Loan agreement with Östersjöstiftelsen 2021

In March 2021, Östersjöstiftelsen, which is the largest shareholder of Biosergen, granted the Subsidiary Biosergen AS a loan of NOK 5,000,000. The loan carries an interest of 8% per annum. According to the agreement, the loan shall be repaid on December 1, 2021. Prior to the stated repayment dates, the Subsidiary has the right to request a conversion of whole or a part of the outstanding amount including capitalized interest into shares in the Subsidiary. The loan was transferred in its entirety to Biosergen during April 2021 and the entire loan of NOK 5,000,000 was converted into shares in Biosergen through a set-off issue with a subscription price of SEK 8.5 per share decided by the Board, with the support of an issue authorisation, on May 4, 2021.

Loan Agreement with Fred Management ApS

In January 2019, Fred Management ApS, which is a shareholder of the Company and a company wholly owned by Biosergen's CEO Peder Møller Andersen, granted the Subsidiary Biosergen AS a loan of NOK 326,073. The loan carries an interest of 3% per annum and will be paid back in full in connection with the admission to trading on First North.

Consortium agreement between Biosergen AS and SINTEF AS and an exclusive patent license agreement between Biosergen AS and SINTEF TTO

SINTEF AS and SINTEF TTO are in the same corporate group as SINTEF Venture AS which is one of the largest shareholders in Biosergen. SINTEF AS and SINTEF TTO are therefore considered to be related parties to Biosergen. See the descriptions of the agreements with SINTEF AS and SINTEF TTO under "Material Agreements".

INTELLECTUAL PROPERTY RIGHTS

The table below sets out all the territories/countries where the Subsidiary's substance BSG005 is patent protected or where the application is still pending. In USA, a patent application is pending regarding the nano formulation of BSG005.

Territory	Country	Patent no./ Application no.	Status	Estimated Patent Expiry
North America	USA	US 8,415,312	Granted	4 February 2029[1]
	USA	US62/981/762	Pending	-
Europe	Germany	EP 2176276 B1	Granted	30 June 2028
	Spain	EP 2176276 B1	Granted	30 June 2028
	France	EP 2176276 B1	Granted	30 June 2028
	UK	EP 2176276 B1	Granted	30 June 2028
	Italy	EP 2176276 B1	Granted	30 June 2028
	Luxemburg	EP 2176276 B1	Granted	30 June 2028
	Ireland	EP 2176276 B1	Granted	30 June 2028
	Czech Republic	EP 2176276 B1	Granted	30 June 2028
	Slovakia	EP 2176276 B1	Granted	30 June 2028
	Estonia	EP 2176276 B1	Granted	30 June 2028
	Hungary	EP 2176276 B1	Granted	30 June 2028
	Romania	EP 2176276 B1	Granted	30 June 2028
CIS	Russia	2488590	Granted	30 June 2028
Asia	China	200880103561.7	Granted	30 June 2028
	India	735/DELNP/2010	Granted	30 June 2028
	Japan	5314680	Granted	30 June 2028
	South Korea	10-2010-7002466	Granted	30 June 2028
South America	Brazil	PI0814613-6	Granted	30 June 2028

[1] Patent expiry in the US is 215 days later than in other countries due to delays by the US Patent Office.

LEGAL AND ARBITRATION PROCEEDINGS

Biosergen is not, nor has it been during the past 12 months, a party to any government agency proceedings, legal proceedings, arbitration proceedings or settlement proceedings (including not yet determined matters or such matters that Biosergen is aware may arise) that have recently had or could have a material impact on Biosergen's financial position or profitability.

CONFLICTS OF INTEREST

There are no conflicts of interest or potential conflicts of interest between the board members and senior management's commitments toward Biosergen and their private interest and/or commitments (however, a number of board members and senior management representatives have some economic interests in Biosergen, either directly or indirectly, through ownership of shares or other securities in Biosergen).

AVAILABLE DOCUMENTS

The following documents are available on the Biosergen's website **www.biosergen.net**

- Biosergen's certificate of registration; and
- Biosergen's articles of association.

Translution Capital