

BIOSERGEN INTENDS TO LIST ITS SHARES ON NASDAQ FIRST NORTH GROWTH MARKET STOCKHOLM

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Stockholm, Sweden, May 19, 2021: The Board of Directors of Biosergen AB intends to list the Company's shares on Nasdaq First North Growth Market in Stockholm and carry out a new issue of Units (the "Offering"). The proceeds will allow Biosergen to initiate clinical trials of its ground-breaking antifungal drug BSG005 with an ambition to file for marketing approval in the United States and Europe by the end of 2025.

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

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

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

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

Summary of the Offering

- The Offering consist of no more than 5,000,000 Units. Each Unit consists of one (1) share and one (1) warrant of series TO1 (together referred to as "Units").
- The subscription price is SEK 10 per Unit, corresponding to SEK 10 per share and a company valuation of SEK 231 million before the Offering. The warrants are issued free of charge.

- Upon full subscription of the Offering, the Company will receive SEK 50 million before costs related to the Offering.
- The Offering includes an oversubscription option of an additional 2,000,000 Units (the “Oversubscription option”). The Oversubscription option will only be exercised in full, and only if the Offering is more than 50% oversubscribed. If the Oversubscription option is exercised, the Company will receive an additional SEK 20 million before costs.
- Each warrant of series TO1 entitles the holder to subscribe for one (1) share in the Company during the period from May 30, 2022 through June 10, 2022. The subscription price for the subscription of shares through the utilization of the warrants is SEK 20 per share.
- If all the warrants are exercised, the Company may receive up to an additional SEK 100-140 million, depending on whether the Oversubscription option was exercised or not. Hence, the total proceeds to the Company from the Offering could amount up to SEK 210 million before costs.
- Östersjöstiftelsen, the Company’s largest shareholder, has entered into a conditional subscription undertaking to subscribe up to SEK 20 million on a krona-for-krona basis with any new investors subscribing in the Offering. The three members of the Company’s senior management team have committed to subscribe for SEK 1 million.
- All the Company’s existing shareholders have agreed to be locked up for a period of six (6) months after the completion of the Offering.
- The Offering will not be carried out and the IPO will not take place if less than SEK 30 million is raised in the Offering (the “Minimum Proceeds”)
- The prospectus is available from May 19, 2021 and is passported to Denmark and Norway from May 20, 2021. The subscription period runs from May 21 through June 4, 2021.
- The new shares will be issued under the ISIN code SE0016013460. The warrants of series TO1 will be issued under ISIN code SE0016013478. The first day of trading in the shares and warrants on Nasdaq First North Growth Market is expected to be June 24, 2021.

Dr. Peder M. Andersen, CEO in Biosergen says: *“This is a crucial milestone in the history of Biosergen. BSG005 has performed brilliantly in every recognised preclinical model of safety and efficacy in fungal disease. I believe this drug has the potential to save hundreds of thousands of lives every year and I am very thankful for the continued support of our existing shareholders. I hope many more will join us as we take the next step of this exciting and important journey.”*

Use of Proceeds

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

- **Complete a Phase I trial for BSG005 with top line data in Q1 2022 (approximately 45%)**
An application to initiate a phase I trial in Australia was submitted to the Australian authorities in April 2021. The phase I trial is a dose escalation study in up to 72 healthy male volunteers. The Company considers the Phase I trial particularly important because one of the key clinical parameters of BSG005 is its safety. The Company expects the trial to recruit the first subject in Q3 2021 and to be able to report top line results from the trial by Q1 2022.
- **Advance BSG005 into phase II by Q2 2022 (approximately 45%)**
The Company expects to submit the application to initiate phase II trials by Q1 2022. The phase II program is planned to include three to four trials of 35 patients each, with the aim of documenting the clinical efficacy and securing the full indication profile of BSG005 in the field of invasive fungal infections. The Company expects to be able to report the first top line data from the first trial by Q2 2023.

- **Further advance BSG005 Nano towards clinical trial readiness (approximately 10%)**

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

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

Subscription and lock-up undertakings

The Company's largest shareholder Östersjöstiftelsen has entered into a conditional subscription undertaking whereby Östersjöstiftelsen commits to subscribe Units up to SEK 20 million on a krona-for-krona basis with any new investors in the Offering, corresponding to 40% of the Offering. The members of the Company's 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, corresponding to 2% of the Offering.

Furthermore, all 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. 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).

Further information can be found in the prospectus that will be published on May 19, 2021 in accordance with the below timetable.

Expected timetable for the Offering

Prospectus published (Sweden)	May 19, 2021
Prospectus published (Denmark and Norway)	May 20, 2021
Subscription period	May 21 – June 4, 2021
Announcement of result of the Offering	June 8, 2021
First day of trading on Nasdaq First North Growth Market	June 24, 2021

Prospectus

A prospectus with full terms and conditions regarding the Offering will be available prior to the commencement of the subscription period on Biosergen's website (www.biosergen.net), DNB's website (www.dnb.se/emission) and the Swedish Financial Supervisory Authority's website (www.fi.se). The prospectus will be passported to Denmark and Norway and thus also available for Danish and Norwegian investors.

Advisors

Translution Capital is the Company's exclusive financial advisor in the Offering. Nordnet Bank is selling agent in the Offering, whereas DNB is the Company's issuing agent and Advokatfirman Lindahl KB is the Company's legal advisor in connection with the Offering.

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ABOUT BIOSERGEN

Biosergen is a *No-Research-Development-Only* biotechnology company that employs all its organisational and financial resources on the clinical development of BSG005. BSG005 is a potentially disruptive antifungal drug with blockbuster potential based on significant safety and potency advantages over competing antifungals, including Amphotericin B, in more than a decade of preclinical studies. The research behind BSG005 and its unique properties has been documented in over 20 peer reviewed scientific papers. 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 shows a three-to-fourfold potency advantage against relevant fungal strains compared to current standards of care, while being completely free of the kidney toxicity hampering other drugs in its class. The Company is also developing BSG005 *Nano* where the drug is packed in special nano particles to specifically target the lung, often the first affected organ in an invasive fungal infection. BSG005 *Nano Oral* is an extension of BSG005 *Nano*. An oral formulation would greatly increase the usefulness, particularly as a prophylactic and as home treatment after transplants or cancer treatment to prevent invasive fungal infection. Biosergen has applied for orphan drug status for BSG005 and expects to file the NDA by the end of 2025.

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. However, a prospectus, corresponding to an EU Growth Prospectus regarding the Offering described in this press release, will be prepared and published by the Company. The prospectus will be scrutinized and approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) being the national competent authority and be published and available on the Company's website thereafter. Furthermore, the prospectus will be passported to Denmark and Norway, making it available for Danish and Norwegian investors.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Translution Capital ApS is acting for Biosergen in connection with the Offering and no one else and will not be responsible to anyone other than Biosergen for providing the protections afforded to its clients nor for giving advice in relation to the Offering or any other matter referred to herein.

Forward-looking statements

Statements included in this announcement that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “aims”, “targets”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made and are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. The information included in this press release may be subject to updating, revision and amendment and such information may change materially. No person is under any obligation to update or keep the current information contained in this announcement and any opinions expressed relating thereto are subject to change without notice.