



Biosergen AB: Biosergen's Board of Directors decides on a rights issue of units of approximately SEK 60.2 million

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The Board of Directors of Biosergen AB ("Biosergen" or the "Company") has today, September 1, 2022, with support from the authorization from the Annual General Meeting June 28, 2022, decided to carry out an issue of units consisting of shares and warrants with preferential rights for existing shareholders of approximately SEK 60.2 million (the "Rights Issue"). The Rights Issue is covered to approximately 70 percent through subscription commitments and underwriting commitments.

Summary

- Upon full subscription, the Rights Issue provides Biosergen with approximately SEK 60.2 million before issuing costs.
- In the event of full subscription and full exercise of all warrants of series TO2 in conjunction with offered units, the Company may be provided with an additional maximum of approximately SEK 54.2 million.
- The Rights Issue is covered to approximately 70 percent through subscription- and underwriting commitments.
- All existing shareholders will receive one (1) unit right for each one (1) share owned on the record date, September 13, 2022. Seven (7) unit rights give the right to subscribe for one (1) unit. One (1) unit consists of five (5) newly issued shares and three (3) warrants of series TO2. The subscription price per unit is SEK 15.00, corresponding to SEK 3.00 per share (the warrants are issued free of charge).
- The subscription period for the Rights Issue will run from September 15, 2022, up to and including September 29, 2022.
- In conjunction with the Rights Issue, Östersjöstiftelsen and Peder M. Andersen has decided to offset debt to the Company against units. The debt to Östersjöstiftelsen will be offset against 466 666 units, corresponding to SEK 7,000,000, and the debt to Peder M. Andersen will be offset against 51 379 units, corresponding to SEK 770,685.

Background and rationale in summary

Biosergen is developing the lead development compound, BSG005. The drug is based on an anti-fungal molecule from the group of polyene macrolides, and is currently in a phase 1 trial. The trial is designed as a Single Ascending Dose (SAD) study followed by a Multiple Ascending Dose (MAD) study to investigate the safety and tolerability of BSG005 and the associated pharmacokinetics. To continue this research and product development and to fund the clinical development of the drug including part of the planned phase 2 program, the Company has

recognized a need to implement a capital raise. The Company has resolved on the Rights Issue in order to give all shareholders the right to participate in the issue and fund the treatment of this overlooked emerging disaster of invasive fungal infections.

The proceeds of the Rights Issue and the warrants of series TO2 shall primarily be used for:

- Continuous development of the Company's drug candidate, BSG005.
- Funding the Phase 1 study and the required pharmaceutical development of API and drug product.
- Initiate the phase II program.

Comment from the CEO

Biosergen has made significant progress during the past 12 months. The critical phase I study has been initiated and the first two dose cohorts seems to support the safety of BSG005, and the remaining cohorts will show more. We are very happy that we already now have secured about 70 percent of the proceeds of this offering, and we believe that this is due to the progress made over the period after the Biosergen IPO in 2021. We need to be ready for the next phase II clinical program and that requires further development from phase I product to phase II/III program. This has been initiated and should be ready for the initiation of clinical phase II trials.

Terms for the Rights Issue

The Board of Directors of Biosergen has resolved on the Rights Issue in accordance with the following main terms:

- All existing shareholders will receive one (1) unit right for each one (1) share owned on the record date, September 13, 2022, and seven (7) unit rights give the right to subscribe for one (1) unit. One (1) unit consists of five (5) newly issued shares and three (3) warrants of series TO2.
- The subscription price per unit is SEK 15.00, corresponding to SEK 3.00 per share (the warrants are issued free of charge).
- The Rights Issue entails an issue of a maximum of 4,014,539 units, corresponding to 20,072,695 shares and 12,043,617 warrants of series TO2.
- Upon full subscription in the Rights Issue, the Company receives approximately SEK 60.2 million before transaction costs.
- The subscription period for subscription of units will run from September 15, 2022, up to and including September 29, 2022.
- The subscription price for subscription of shares with the support of warrants of series TO2 corresponds to 70 percent of the volume-weighted average price paid for the Company's shares on Nasdaq First North Growth Market during the period from July 28, 2023, to August 10, 2023, but not less than the share's quota value and not more than SEK 4.50.
- The exercise period for subscription of shares with the support of the warrants of series TO2 will run from August 14, 2023, to August 25, 2023.
- In the event of full subscription and full exercise of all warrants of series TO2 in conjunction with offered units, the Company may be provided with an additional maximum of approximately SEK 54.2 million.
- Through the Rights Issue, the share capital may increase by a maximum of SEK 501,817.375, from SEK 702,544.375 to SEK 1,204,361.750. Upon full exercise of the warrants of series TO2 covered by the Rights Issue, the share capital may increase by an additional SEK 301,090.425, from SEK 1,204,361.750 to SEK 1,505,452.175.
- The existing shareholders in the Company who do not subscribe for units in the Rights Issue will be subject to dilution. A fully subscribed Rights issue entails a dilution corresponding to 41.67 percent. The maximum increase in the number of shares in the Company as a result of full subscription of the Rights Issue and full exercise of attached warrants of series TO2 may entail a further dilution of approximately 20.00 percent.
- The Company intends to apply for admittance of trading of the warrants of series TO2 on Nasdaq First North Growth Market after final registration with the Swedish Companies Registration Office.

Subscription commitments, underwriting commitments, lock-up and the compensation issue

The Rights Issue is covered to approximately 70 percent through subscription commitment and underwriting commitments. The subscription commitments and underwriting commitments are not secured through bank guarantees, pledge, or similar arrangements. Subscription commitment of approximately SEK 20 million has been provided by Östersjöstiftelsen, the largest shareholder of the Company. The underwriting commitments have been provided by external investors. For the underwriting commitments, an underwriting compensation of twelve (12) percent of the underwritten amount is paid in cash or fifteen (15) percent of the underwritten amount is issued in units with a subscription price corresponding to the subscription price per unit in the issue, which the Board of Directors deems to be market terms. No compensation is paid for the subscription commitment. For this reason, the Board of Directors has resolved upon a compensation issue to the underwriters, whereby underwriters who so decides to receive units instead of cash payment in accordance with above may receive no more than 221,526 units in total, resulting in an increase of the Company's share capital of no more than SEK 27,690.75.

Furthermore Östersjöstiftelsen, Rosetta Capital, and Peder M. Andersen has undertaken not to sell any shares or other securities in the Company for a period of 12 months through a so-called lock-up agreement. The share holdings of Östersjöstiftelsen, Rosetta Capital, and Peder M. Andersen corresponds to approximately 79 percent of the Company's outstanding shares.

Indicative timetable

September 9, 2022	Last day of trading in Biosergen's shares including the right to receive unit rights
September 12, 2022	First day of trading in Biosergen's shares excluding the right to receive unit rights
September 13, 2022	Record date for obtaining unit rights. Shareholders who are registered in the share register kept by Euroclear Sweden AB on this day, receive unit rights for participation in the Rights Issue.
September 15 – September 26, 2022	Trading with unit rights on Nasdaq First North Growth Market
September 15 – September 29, 2022	Subscription period for the Rights Issue
September 15 – Week 42, 2022	Trading with BTU on Nasdaq First North Growth Market
October 3, 2022	Estimated date for announcement of the Rights Issue outcome

Prospectus

An EU growth prospectus will be available before the beginning of the subscription period on the Company's website, www.biosergen.net.

Advisers

Mangold Fondkommission AB is the financial advisor to Biosergen in connection with the Rights Issue. Advokatfirman Lindahl KB is the legal advisor to the Company in connection with the Rights Issue.

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This information is such information that Biosergen AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 08:20 CEST, on September 2,

2022.

ABOUT BIOSERGEN

Biosergen is a clinical stage biotechnology company that employs all its organisational and financials 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 laboratory and 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 received orphan drug status for BSG005 in the United States.

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This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended. The information in this press release may not be announced, published or distributed in or into the United Kingdom, the United States, Canada, Japan, Australia, Hong Kong, New Zealand, Switzerland, South Africa or in any other jurisdiction where the announcement, publication or distribution of the information would not comply with applicable laws and regulations.

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This press release contains certain forward-looking information that reflects the Company's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development, and actual outcomes may differ materially from the statements set forth in the forward-looking information.