



# INVITATION TO SUBSCRIBE

Subscription period: January 9 – 23, 2023

#### **IMPORTANT INFORMATION**

Spermosens AB ("Spermosens" or the "Company") is conducting a Unit rights issue in which the public is given the opportunity to participate (the "Rights Issue"). The following summary is not a complete offering but should be read as an introduction to Spermosens, with the Memorandum document describing the offering in its entirety (the "Memorandum"). This document may not contain all the information that may be required for an investment decision. All investors are requested to read the Memorandum, which is available on the Company's website ([www.spermosens.com](http://www.spermosens.com)), to inform themselves of the potential risks associated with a decision to invest in the Company. In case of any discrepancy in translation or otherwise between this document and the Memorandum, then the Memorandum will prevail.

# MALE FERTILITY DIAGNOSTICS AND TREATMENT

Spermosens aims to improve male fertility diagnostics and treatment through the introduction of groundbreaking products. Spermosens's first patented product, *JUNO-Checked*, measures the binding capacity between sperm and egg cells, which is a prerequisite for natural reproduction. The results are expected to help doctors choose the appropriate treatment method, contributing to more successful IVF treatments, reduced suffering and improved quality of life. The WHO estimates that more than 48 million couples are affected by infertility, half of which is caused in whole or in part by a male factor (WHO, 2020).

## VISION AND MISSION

Vision: to support patients affected by infertility to achieve success during treatment.

Our Mission: to provide innovative diagnostic and treatment solutions for assisted fertilization.

## THE PROBLEM

The World Health Organization estimates that over 48 million couples worldwide are affected by infertility. Every year, over 3 million IVF treatments are performed. Typically, a couple undergoes 3 to 8 IVF treatments, with no guarantee of fertilization. Less than one in five treatments are successful. Although 50% of all infertility cases have a male factor, currently used diagnostic techniques fail to establish fertility rates (WHO, 2020). As a result, a larger number of treatments and longer waiting times lead to increased suffering, especially for the women who often suffer from both acute and chronic side effects of hormone treatments, as well as increased costs.

## THE BREAKTHROUGH

Spermosens has developed a method that, for the first time, measures the interaction between sperm proteins and egg cell proteins to assess the binding capacity of the sperm. This is a breakthrough for IVF clinics, as doctors will be able to personalize and choose the appropriate treatment based on the measured binding capacity, in order to increase the IVF success rate and reduce the time until pregnancy.

## SPERMOSENS TECHNOLOGY

Spermosens, an innovator in the field of male infertility, produces medical solutions for the diagnosis and treatment of male infertility. *JUNO-Checked*, the company's first product, provides information to guide the choice of treatment in assisted reproduction. The launch and use of Spermosens products is expected to help shape and enhance the global IVF market. Spermosens ambition is to offer medical solutions that addresses the entire value chain, both in terms of current and future innovations.



## PARTNERSHIP

Spermosens has started working with two manufacturers for future production, OIM Sweden AB for the *JUNO-Checked* instrument, and FlexMedical Solutions Ltd for the *JUNO-Checked* cassette. The partnership agreement with OIM Sweden AB provides Spermosens with access to both high quality and flexible ISO certified production capacity. FlexMedical Solutions Ltd has

extensive experience of the full product development lifecycle and has helped bring several products to market. Flexible production capacity ensures both quality and cost-effectiveness, while optimizing fixed production costs. It is in collaboration with these development partners that the timeline below has been formulated.

## SPERMOSENS FIRST PRODUCT

The JUNO-Checked System consists of a measuring instrument and disposable cassettes. The cassettes house the biosensors to which sperm samples are applied to measure the binding capacity. Standard IVF should be recommended for semen with a high measured binding capacity, which makes use of the natural fertilization process. Should a low value be observed, the alternative treatment ICSI should be recommended.

# THE OFFER IN SUMMARY

<b>Subscription Period</b>	<b>January 9 – 23, 2023</b>
Subscription Price	0.84 SEK per Unit.
Issue Volume	The offer includes up to 29 077 889 new shares, corresponding to an approximate total of SEK 24.4 million. The offer also includes a maximum of 29 077 889 warrants of series TO2, allocated 1:1 and free of charge.
Preferential Subscription Rights	Anyone registered as a shareholder in the share register kept by Euroclear Sweden AB, on behalf of Spermosens, on the record date of January 4, 2023, has preferential subscription rights to Units in the Rights Issue in relation to previous holdings of shares (12 units for each 5 shares).
Units	Trading in Units will take place on the Spotlight Stock Market during the period January 9, 2023, up to and including January 18, 2023.
BTUs	Trading in BTUs will take place on the Spotlight Stock Market from January 9, until the Swedish Companies Registration Office registers the rights issue with the Swedish Companies Registration Office and BTUs are converted into shares and warrants.
Subscription and guarantee commitments	Spermosens has received pre-subscription and underwriting commitments from a consortium of guarantors totaling approximately SEK 18.0 million, corresponding to approximately 73.6 percent of the total issue volume, covering up to 90% of the issue.

## USE OF FUNDS

Spermosens intends to use the funds raised from the rights issue to continue its efforts to complete and commercialise the JUNO-Checked System. The rights issue intends to finance the development towards completion and approval of the CE-marked product, as well as to continue working towards Spermosens's market entry. The company will receive approximately SEK 24 million before expenses if the Rights Issue is fully subscribed. The issue proceeds are planned to be used in the following order of priority and distribution:

Management costs related to the rights issue:

~6 %

Running costs of the business and product development of the JUNO-Checked System in order to start sales for research purposes:

~90 %

Costs related to innovation and patent protection:

~2 %

IR/marketing:

~2 %

# CEO ULRIK NILSSON

**F**or the first time, Spermomens method enables the assessment of the binding capacity of sperm to the egg cell. The results are expected to help doctors choose the appropriate IVF treatment, thus improving the conditions for individualized treatment with assisted reproductive technology (ART).

## MARKET

The global IVF market reached USD 22 billion in 2021 and is projected to grow at a CAGR of six percent until 2030 (GVR, 2020). With over 3 million annual treatments and a selling price of \$200 per cassette sold, we estimate the sales potential of our first product to more than \$600 million.

Another growing segment is sperm banks. A market that in 2018 amounted to USD 4.3 billion.

## PATENT PROTECTION

The application for patent protection of sperm protein interaction with the JUNO protein on the egg cell laid the foundation for Spermomens. Spermomens has obtained patent protection for its technology in key European markets and for Japan, which is one of the largest markets in the world, until 2039. Patent applications are pending in additional key markets.

## COMMERCIALIZATION

Sales for research purposes are due to commence this year. This will be an important steppingstone for us in our efforts to reach the market. We will gain awareness, valuable insight into how IVF specialists perceive our products and, at the same time, collect research data.

We have signed letters of intent for future research sales to selected customers and look forward to delivering our products. As we move towards certification for diagnostic use, we plan to increase our commercial activities. We are well positioned to take a leading position in male fertility diagnostics and treatment.

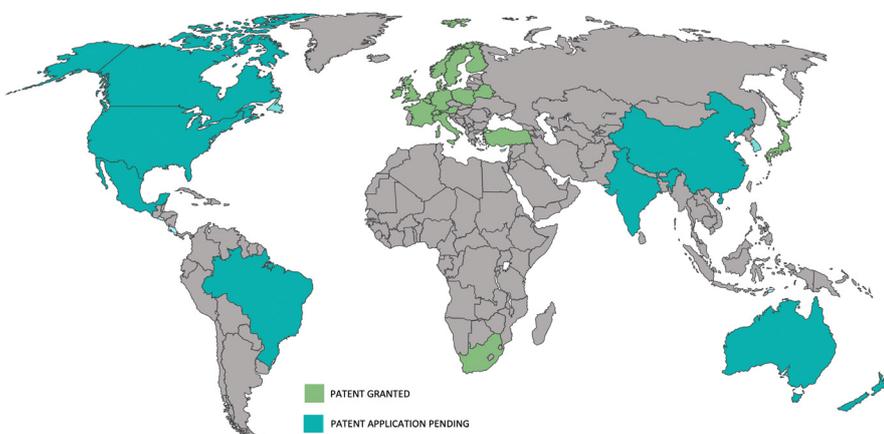
## OUR TEAM

We have a team with the necessary skills to carry out our planned activities. Activities carried out entirely by us or together with our partners. We are well prepared to take the technology to production and market launch.

## WE WANT TO MAKE A DIFFERENCE

I am strongly committed to Spermomens vision to improve the quality of life for all those living affected by infertility and involuntary childlessness. Together with the team, I look forward to continuing the work of developing and successfully launching our products. Our goal is to improve male fertility diagnostics and treatment through the introduction of our groundbreaking products.

*Ulrik Nilsson*  
CEO, Spermomens AB



# OBJECTIVES AND MILESTONES

Spermosens plan for the continued development of its first product, with an outlook to future market launch, is outlined in the following 5 phases:

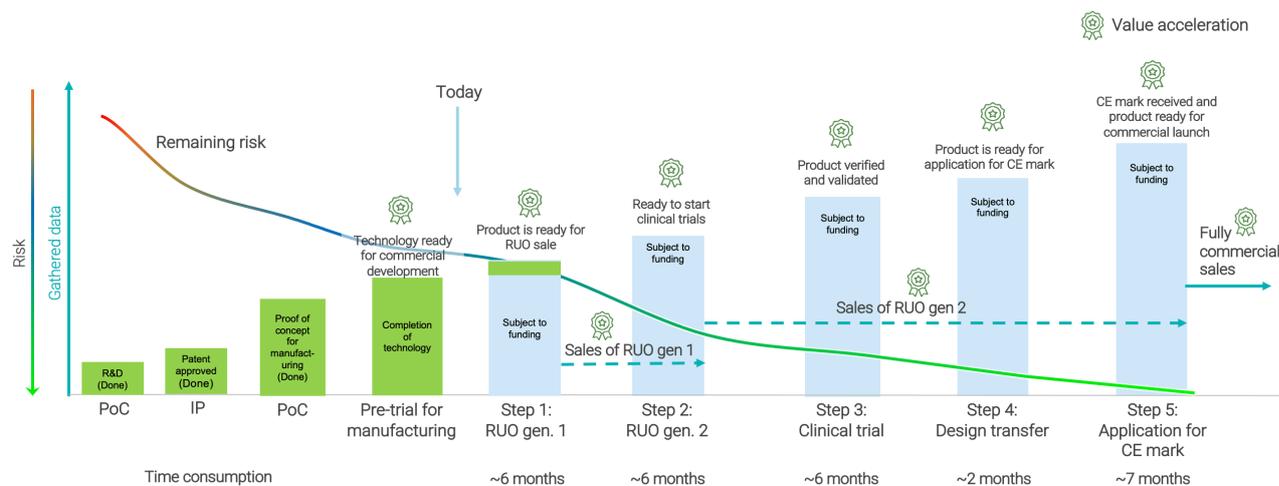
**Phase 1** Involves the delivery of generation 1 of the product for research use (RUO) to the early customers with whom Spermosens has now signed LOIs, as well as to additional interested parties. This phase is expected to take 6 months from inception and cost approximately SEK 17 million.

**Phase 2** Will be used to build the 2nd generation of the product, for continued research use only. The 2nd generation product will be used for the studies required for certification of the JUNO-Checked System, thus enabling its sale for diagnostic use. Revenue remains limited. This phase is expected to take 6 months from inception and cost approximately 16 MSEK.

**Phase 3** Involves verification and validation of the JUNO-Checked System using collected data to support our claims and verify the product in clinical studies. At the same time, the market launch will be prepared. This step is expected to take 6 months from inception and cost approximately 17 MSEK.

**Phase 4** Involves design transfer and preparation to produce the first approved product for general use in IVF clinics around the world. This step is estimated to take 2 months from initiation and cost approximately 7 MSEK.

**Phase 5** Involves applying for CE marking and completing the documentation required by regulatory authorities, which means that once approved, the JUNO-Checked System is certified for diagnostic use. This step is estimated to take 7 months from inception and cost approximately 10 MSEK.



As the amount of data collected increases and as operational and regulatory milestones are passed, the predictability of the company's development is enhanced. The "residual risk" curve in the illustration above shows the Board's and management's assessment of the relative reduction in business uncertainty and risk exposure as milestones are achieved.

Total operating and development costs are estimated to be approximately 67 MSEK and, according to the Board and management's assessment, the Company will need a net addition of approximately 60 MSEK over the period 2023-2025.



# TERMS

## PREFERENTIAL RIGHTS AND UNIT RIGHTS

Any person who was registered as a shareholder of Spermosen on the record date of January 4, 2023, has preferential rights to subscribe for Units in the Company based on their existing shareholding in the Company. Shareholders of Spermosen will receive one (1) Unit Right for each share held as of the record date. Five (5) Unit rights are required to subscribe for twelve (12) Units. After the expiry of the subscription period, unused Unit Rights will become null and void and will be booked out of the VP account without specific notice from Euroclear.

## UNITS

One (1) Unit contains one (1) share and one (1) free warrant of series T02.

## ISSUE AMOUNT

The offering includes up to 29,077,889 Units corresponding to a maximum amount of approximately SEK 24.4 million before deduction of issue costs.

## RECORD DATE

The record date with Euroclear for entitlement to participate in the Rights Issue was January 4, 2023. The last day of trading in the Company's shares including entitlement to receive Unit Rights was January 2, 2023. The first day of trading in the Company's shares excluding entitlement to receive Unit Rights was January 3, 2023.

## TICKET PRICE

The subscription price is SEK 0.84 per Unit. The warrants are issued free of charge. No brokerage fee will be charged.

## SUBSCRIPTION PERIOD

Subscription for Units shall take place from January 9, 2023 until January 23, 2023. The Board of Directors is entitled to extend the subscription period. After the end of the subscription period, unused Unit Rights will become null and void and will lose their value thereafter. After the subscription period, unused Unit Rights will, without notice from Euroclear, be booked out of the shareholders' VP-accounts.

## TRADING IN UNIT RIGHTS

Trading in Unit Rights will take place on the Spotlight Stock Market from January 9, 2023 until January 18, 2023. Securities institutions with the required authorisations will handle the brokerage of purchases and sales of Unit Rights. Anyone wishing to buy or sell Unit Rights should therefore contact their bank or stockbroker. Unit Rights acquired during the above-mentioned trading period will, during the subscription period, give the same right to subscribe for Units as the Unit Rights shareholders receive based on their holdings in the Company as of the record date. Upon transfer of Unit Rights, the related preferential right is also transferred to the transferee.

## DIRECTLY REGISTERED SHAREHOLDERS, HOLDINGS IN VP ACCOUNT

Shareholders or representatives of shareholders who are registered in the share register kept by Euroclear on behalf of the Company on the record date of January 4, 2023 will receive a pre-printed issue report with an accompanying bank transfer slip, a special application form and an application form for subscription without Unit Rights. VP-notification regarding the subscription of Unit Rights on the VP-account will not be sent.

## SHAREHOLDERS REGISTERED AS TRUSTEES

Shareholders whose holdings of shares in Spermosen are registered with a bank or other trustee will not receive a notification. Subscription and payment should instead be made in accordance with the instructions of the respective trustee.

## SUBSCRIPTION AND PAYMENT FOR UNITS WITH UNIT RIGHTS

Subscription with preferential rights must be made by simultaneous cash payment no later than January 23, 2023. Subject to correct payment, all Units - to which the number of Unit Rights held entitles the holder - will be allocated, and no further notice of allocation will be given. Subscription and payment shall be made in accordance with one of the two options below:

**1) Pre-printed payment slip, Issue statement:** in the event that all Unit Rights received on the record date are used for subscription, only the pre-printed payment slip shall be used as the basis for subscription by cash payment. In this case, a separate application form should not be used. No additions or changes may be made to the text pre-printed on the payment slip. No further action is required for subscription or allotment. Please note that the subscription is binding and there is no possibility of reducing the number of securities subscribed.

**2) Separate subscription form:** To be used if a different number of Unit Rights is to be exercised than indicated in the pre-printed offering statement, for example if Unit Rights have been purchased or sold. The maximum number of Units that can be subscribed is determined by the number of Unit Rights held in accordance with the terms described above. Subscription takes place when Eminova Fondkommission AB have received both the special application form and payment. The reference for payment is the number of the application form. Incomplete or incorrectly completed application forms may be disregarded. The application form can be sent by regular mail (not recommended), email or fax. Please note that the subscription is binding and there is no possibility of reducing the number of securities subscribed.

## SHAREHOLDERS RESIDENT OUTSIDE SWEDEN ENTITLED TO SUBSCRIBE

Eligible direct registered shareholders who are not resident in Sweden and who cannot use the pre-printed issue statement may pay in Swedish kronor via SWIFT as follows. Subscription is made when both the special application form and payment have been received by Eminova Fondkommission:

**BIC/SWIFT:** NDEASESS

**IBAN:** SE893000000032731703725

## SUBSCRIPTION AND PAYMENT OF UNITS WITHOUT UNIT RIGHTS

In the event that all Units are not subscribed to with the support of Unit Rights, the Board of Directors shall, within the maximum amount of the Rights Issue, decide on the allotment of the remaining Units. Subscription for Units without preferential rights shall be made during the same period as subscription for Units with preferential rights, i.e. from January 9, 2023 up to and including January 23, 2023.

Subscription for Units without the support of Unit rights shall be made on the subscription form entitled "Subscription without the support of Unit rights" which is available for download from [eminova.se](http://eminova.se). If more than one application form is submitted, only the first one received will be considered. No payment should be made at the time of subscription. Please note that the subscription is binding and there is no possibility of reducing the number of securities subscribed. There is no limit to the number of Units that may be subscribed for under the Offer.

If the application is for a subscription of EUR 15,000 (approximately SEK 150,000) or more, a completed KYC and an authenticated copy of a valid identification must be attached to the application form. If the subscription concerns a legal entity, a valid certificate of incorporation (not older than three months) showing the authorized signatories must accompany the subscription form, in addition to the KYC and identification. Notification of the allocation of Units will be made by sending a settlement note and allocation will take place after payment has been received by Eminova Fondkommission. Payment shall be made to the 'bankgiro' as instructed on the settlement note and shall never be deducted from the specified VP account or custody account. If payment is not made in due time, Units may be transferred to another party. Should the sale price in such a transfer be less than the price under the Offer, the original allottee of such Units may be liable for all or part of the difference. No notice will be sent to the non-allottees.

## SHAREHOLDERS RESIDING IN CERTAIN INELIGIBLE JURISDICTIONS

Shareholders resident in any other country where participation in the Rights Issue is subject to legal restrictions, in whole or in part, are not entitled to participate in the Rights Issue, such as the United States of America (including its territories and provinces, each state of the United States and the District of Columbia), Australia, Singapore, New Zealand, Japan, South Korea, Canada, Hong Kong, Russia, Belarus and South Africa. These shareholders will not receive Unit Rights, an offering circular or any other information about the Rights Issue. Eminova Fondkommission reserves the right to refuse subscriptions from subscribers residing in countries where Eminova Fondkommission does not operate.

## ALLOCATION PRINCIPLES IN CASE OF SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

In the event that not all Units are subscribed for with the support of Unit rights, the Board of Directors shall, within the maximum amount of the Rights Issue, decide on the allocation of Units subscribed for without the support of Unit rights. Allocation will then be made in the following order of priority:

**a)** In the first instance, allocation shall be made to those who also subscribed for Units with the support of subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event that allocation to them cannot be made in full (oversubscription), the allocation will be made in proportion to the number of subscription rights exercised by each person for the subscription of Units and, to the extent that this cannot be done, by drawing lots.

b) In the second instance, allocation shall be made to others who subscribed for Units without the benefit of subscription rights and, in the event that they cannot be fully allocated, in proportion to the number of Units that each person has notified for subscription and, to the extent that this cannot be done, by drawing lots.

c) As a last resort, any remaining Units shall be allocated to the guarantors who have entered into underwriting commitments in proportion to the size of the respective underwriting commitment.

#### PAID SUBSCRIBED UNIT (BTU)

Subscription by payment is registered with Euroclear as soon as possible, which normally means a few business days after payment. The subscriber then receives a receipt confirming that the BTU has been posted to the VP account. Subscribed Units are referred to as BTUs until the Rights Issue has been registered with the Swedish Companies Registration Office (Bolagsverket). Trading in BTUs is expected to take place on Spotlight Stockmarket from the 9 of January 2023 and until the Rights Issue is registered with the Swedish Companies Registration Office.

#### TRADING IN THE SHARE

The shares are traded on the Spotlight Stockmarket. The shares have the ISIN code SE0015346424 and are traded under the short name SPERM. The new shares will be listed for trading in connection with the conversion of the BTUs into shares, which is expected to take place in February 2023. The Company intends to apply for admission to trading of the new shares and the warrants on the Spotlight Stock Market.

#### DELIVERY OF SECURITIES

As soon as the Rights Issue is registered with the Swedish Companies Registration Office, which is expected to happen by the end of February 2023, the BTUs will be converted into shares and warrants of series T02 without any special notification from Euroclear. For those shareholders whose shares are registered with a fiduciary, information will be provided by the respective fiduciary.

#### CONDITIONS FOR COMPLETION OF THE OFFER

Spermosens' Board of Directors does not have the right to suspend, revoke or temporarily withdraw the offer to subscribe for Units in the Company in accordance with the terms of this Information Memorandum. The Board is entitled to extend the period one or more times. Any extension of the subscription period will be announced in separate market release.

#### TERMS AND CONDITIONS FOR WARRANTS OF SERIES T02

A warrant of series T02 entitles the holder to subscribe for one (1) new share in the Company for a cash payment equal to 70 percent of the weighted average price of the Company's share on the Spotlight Stockmarket, however, not below the price of SEK 0.84 and not more than SEK 2.52. This can occur during the period between the 27 November 2023 up to and including 15 December 2023. Subscription of shares under the warrants shall take place in accordance with the terms and conditions of the warrants during the period from 29 January 2024 up to and including 15 February 2024. The warrants have ISIN code SE0019176462 and are intended to be admitted to trading on Spotlight Stockmarket.

#### DILUTION

Full subscription in the Rights Issue will increase the number of shares in the Company from 12,115,787 shares to 41,193,676 shares, corresponding to a dilutive effect of approximately 70.6 per cent. of the share capital and votes (calculated as the number of new shares resulting from the Rights Issue divided by the total number of shares in the Company after the Rights Issue is fully subscribed). Maximum dilution assuming that the Rights Issue is fully subscribed and all related warrants are exercised amounts to approximately 82.8 percent.

#### ANNOUNCEMENT OF THE OUTCOME OF THE RIGHTS ISSUE

Publication of the outcome of the Rights Issue will be made through a market release by the Company as soon as possible after the expiry of the subscription period, which is expected to be 26 January 2023. The publication will also be made on the Company's website.

#### OTHER INFORMATION

Subscription for Units with or without Unit Rights is irrevocable and the subscriber cannot cancel his subscription.

If the depository or "VP account" is linked to a special depository account,

such as a 'Kapitalforsikring', an IPS or an ISK, special rules apply to the subscription of Units. The subscriber must contact their bank/administrator and follow their instructions for the subscription/payment procedure. In the event that the subscription is not made correctly, delivery of the allocated Units will not be possible to these depository accounts. The subscription is binding and the submitted subscription form cannot be withdrawn. It is the responsibility of the subscriber to ensure that the subscription is made in such a way that delivery can be made to the specified place of deposit.

The Board of Directors of Spermosens does not have the right to suspend, withdraw or suspend the Offer to subscribe for Units in the Company in accordance with the terms of the Information Memorandum. A subscription for Units is irrevocable and the subscriber may not cancel or modify a subscription for Units. Incomplete or incorrectly completed application forms may be disregarded. If the subscription fee is paid late, is insufficient or is paid incorrectly, the application for subscription may be disregarded or the subscription may be made for a lower amount.

In the event that an overpayment is made, Eminova will arrange for the refund of the excess amount. Eminova will in such case contact the subscriber for their bank information in which Eminova can refund the amount to. Amounts below 100 SEK will only be refunded upon request. No interest will be paid on the excess amount.

#### RIGHT TO DIVIDENDS

The new shares carry the right to dividends for the first time on the first record date for dividends after the new shares have been registered with the Swedish Companies Registration Office and entered in the share register maintained by Euroclear Sweden. The new shares carry the same right to dividend as the existing shares.

#### APPLICABLE LEGISLATION

The shares and warrants are issued under the Swedish Companies Act (2005:551) and are governed by Swedish law.

#### SHARE REGISTER

The Company is a registered company affiliated to Euroclear Sweden AB. The Company's share register with information on shareholders is managed and maintained by Euroclear Sweden AB with address Euroclear Sweden AB, Box 191, 101 23 Stockholm.

#### SHAREHOLDERS' RIGHTS

Shareholders' rights with respect to dividend, voting rights, preferential subscription rights, etc. are governed by the Company's Articles of Association, which are available.

#### INFORMATION ON PROCESSING OF PERSONAL DATA

Persons subscribing for Units in the Rights Issue will provide personal data to Eminova. Personal data provided to Eminova will be processed to the extent necessary to provide services and administer customer arrangements. Third person data may also be processed. Personal data may be used by companies or organisations that Eminova collaborates with. Information on the handling of personal data is provided by Eminova. Eminova also accepts requests for rectification of personal data. Address records may be obtained by Eminova through an automated process with Euroclear.

#### GUARANTEE AND SUBSCRIPTION COMMITMENTS

In connection with the Rights Issue, a number of existing shareholders, including members of the Board of Directors, as well as external investors have committed to subscribe for all or part of their respective shareholdings in the Rights Issue of approximately SEK 1.0 million, corresponding to approximately 4.0 percent of the Rights Issue. Shareholders who have issued a guarantee have first entered into a subscription commitment corresponding to at least their share of the Rights Issue (pro rata).

In addition, the Company has entered into agreements with a number of external investors and existing shareholders for issue guarantees amounting to approximately SEK 17.0 million, corresponding to approximately 69.7 percent of the Rights Issue. Under the guarantee agreements, a cash commission of 17.9 percent on average is paid on the guaranteed amount, corresponding to approximately SEK 3.0 million. In total, the Rights Issue is therefore covered by subscription and guarantee commitments totalling approximately SEK 18.0 million, corresponding to approximately 73.6 per cent of the Offering.

The subscription and guarantee commitments were entered into in November and December 2022. The subscription and guarantee commitments are not secured by pledge, escrow or similar arrangements, and there is therefore a risk that the commitments, in whole or in part, will not be fulfilled.



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