Invitation to subscribe for units in Spermosens AB (publ)

Rights Issue Q4 2024

Subscription period: 11 November – 25 November 2024

The memorandum does not constitute a prospectus and has not been approved by the Financial Supervisory Authority. For detailed information about the memorandum, see the section "Important Information"

Eminova Partners
corporate finance

IMPORTANT INFORMATION

GENERAL

This information memorandum has been prepared in connection with the upcoming rights issue of units in Spermosens AB (publ), which will be issued with preferential right for the Company's shareholders. "**Spermosens**" or the "**Company**" refers to Spermosens AB (publ), registration number 559179–0380, a Swedish public limited company. The "**Memorandum**" refers to this information memorandum. The "**Rights Issue**" or the "**Offer**" refers to the offer to subscribe for units with preferential rights in accordance with the terms outlined in the Memorandum. "**Euroclear**" refers to Euroclear Sweden AB, with registration number 556112–8074.

FINANCIAL ADVISOR AND ISSUING AGENT

In connection with the Rights Issue described in this Memorandum, Eminova Partners Corporate Finance AB ("**Eminova Partners**") is acting as financial advisor and Eminova Fondkommission AB ("**Eminova Fondkommission**") as issuing agent to Spermosens. The Board of Directors in Spermosens is responsible for the content, and therefore, Eminova Partners disclaim all responsibility in relation to the shareholders of Spermosens and with regard to other direct or indirect consequences resulting from investment decisions or other decisions wholly or partly based on the information provided in the Memorandum.

PREPARATION OF THE MEMORANDUM

This Memorandum has not been prepared in accordance with Regulation (EU) 2017/1129 (the "**Regulation**") or the Commission Delegated Regulation (EU) 2019/980 and therefore does not constitute a prospectus. The Memorandum has thus not been approved by or registered with the Swedish Financial Supervisory Authority (Finansinspektionen) as the competent authority under Regulation (EU) 2017/1129. The reason is that the rules on prospectuses do not require a prospectus to be prepared since the amount that the Company may receive through the Rights Issue is below 2.5 million euros.

The shares in Spermosens have not been registered and will not be registered under the United States Securities Act of 1933 in its current form (the "**U.S. Securities Act**"), or the securities laws of any state or other jurisdiction in the USA and may not be offered, sold, or otherwise transferred, directly or indirectly, in or into the USA, except in accordance with an applicable exemption from, or through a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of the relevant state or other jurisdiction in the USA.

An investment in securities is associated with certain risks, and investors are encouraged to carefully read the section "**Risk Factors"**. When making an investment decision, investors must rely on their own assessment of the Company, including the facts and risks presented. Before making an investment decision, potential investors should engage their own professional advisors and carefully evaluate and consider the decision. Investors should only rely on the information provided in this Memorandum and any supplements thereto. No person is authorized to provide any information or make any statements other than those contained in this Memorandum. If such information or statements are made, they should not be considered approved by the Company, and the Company is not responsible for such information or statements.

DISTRIBUTION AREA OF THE MEMORANDUM

The shares are not subject to trading or application for trading in any country other than Sweden. The invitation pursuant to this Memorandum is not directed at individuals whose participation requires an additional prospectus, registration, or other measures beyond those required under Swedish law. The Memorandum may not be distributed in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore ,Russia, Belarus, or any other countries where distribution or this invitation requires additional measures as mentioned above or violates the regulations of such countries. The Memorandum is governed by Swedish law.

AVAILABILITY OF THE MEMORANDUM

The Memorandum is available at Spermosens' office address, Scheeletorget 1, 223 81 Lund, on the Company's website (www.spermosens.com), and on Spotlight Stock Market's website (www.spotlightstockmarket.com). Additionally, the Memorandum can be accessed via Eminova Fondkommission's website (www.eminova.se).

FORWARD-LOOKING STATEMENTS

The forward-looking statements included in this Memorandum reflect the Company's current view of future events, as well as its financial and operational development, and are valid as of the date of publication of the Memorandum. Although the Company believes that the expectations described in such forward-looking statements are reasonable, there is no guarantee that this forward-looking information will materialize or prove to be correct. Forward-looking information is always subject to uncertainty, as it pertains to and depends on circumstances beyond the Company's direct and indirect control. Prospective investors are therefore encouraged to consider all information in the Memorandum, bearing in mind that future results and developments may differ significantly from the board's expectations. No assurances are given, either explicitly or implicitly, that the assessments made in the Memorandum regarding future conditions will be realized. The Company also makes no commitments to publicly update and/or revise forward-looking statements due to new information, future events, or otherwise, beyond what is required by law, regulations, and other provisions.

INDUSTRY AND MARKET INFORMATION

The Memorandum contains information from third parties as well as statistics and calculations taken from industry reports and studies, publicly available information and commercial publications, in some cases historical information. The Company considers that such information is useful for investors' understanding of the industry in which the Company operates and the Company's position within the industry. However, the company does not have access to the facts and assumptions behind various data, market information and other information obtained from publicly available sources. The Company has not made any independent verifications of the market information provided through third parties, industry or general publications. Although the Company believes that its internal analyzes are reliable, these have not been verified by any independent source and the Company cannot guarantee their accuracy. The Company confirms that the information provided by third parties has been reproduced correctly and as far as the Company knows and can ascertain from information published by third parties, no facts have been omitted that could make the information reproduced incorrect or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Unless explicitly stated otherwise, no financial information in the Memorandum has been audited or reviewed by the Company's auditor. Financial information in the Memorandum concerning the Company that is not part of the audited information or has not been reviewed by the Company's auditor, as indicated here, originates from the Company's internal accounting and reporting systems.

MARKETPLACE

Spermosens' shares are listed for trading on Spotlight Stock Market. Spotlight Stock Market ("**Spotlight**") is a securities company supervised by the Swedish Financial Supervisory Authority (sw. Finansinspektionen). Spotlight operates a so-called MTF (Multilateral Trading Facility) platform. Companies listed on Spotlight are required to comply with Spotlight's regulations. These regulations are designed, among other things, to ensure that shareholders and other market participants receive accurate, immediate, and simultaneous information about all circumstances that may affect the Company's share price. Trading on Spotlight is conducted through an electronic trading system accessible to banks and securities brokers connected to Spotlight Stock Market. This means that individuals wishing to buy or sell shares listed on Spotlight can use the services of banks or brokers that are members of Spotlight. The regulations and share prices can be found on Spotlight's website (www.spotlightstockmarket.com). Companies whose shares are traded on Spotlight are not subject to all the legal rules that apply to companies listed on a regulated market. However, through its regulations, Spotlight has chosen to apply many of these legal rules.

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THE OFFER IN BRIEF

ISSUE VOLUME

The Offer comprises a maximum of 283,607,120 units, equivalent to approximately SEK 22.7 million before deductions of issue costs.

RECORD DATE

The record date at Euroclear for the right to participate in the Rights Issue is 7 November 2024. The last day of trading in the Company's shares, including the right to receive unit rights, is 5 November 2024. The first day of trading in the Company's shares excluding the right to receive unit rights is 6 November 2024.

PREFERENTIAL RIGHTS

Those who are registered as shareholders in the Company on the record date 7 November 2024 have preferential rights to subscribe for units in the Company based on their existing shareholding. Shareholders in the Company will receive one (1) unit right for each share held. One (1) unit right entitles the holder to subscribe for one (1) unit.

UNIT

One (1) unit consists of eight (8) shares, two (2) warrants of series TO 5 free of charge, and four (4) warrants of series TO 6 free of charge.

SUBSCRIPTION PRICE PER UNIT

The subscription price is SEK 0.08 per unit, which corresponds to SEK 0.01 per share. The warrants of series TO 5 and TO 6 are issued free of charge. No brokerage fee will be charged.

PRE-MONEY VALUATION IN THE OFFER

Assuming that all outstanding shares in the Company are assigned a value corresponding to the subscription price per share prior to the execution of the Rights Issue, the pre-money valuation of the Company amounts to approximately SEK 2.8 million.

SUBSCRIPTION PERIOD

Subscription of units will take place from 11 November 2024 to 25 November 2024. The Board of Directors has the right to extend the subscription period.

TRADING IN UNIT RIGHTS (UR)

Trading of unit rights is intended to take place on Spotlight Stock Market from 11 November 2024 to 20 November 2024.

TRADING IN PAID SUBSCRIBED UNIT (BTU)

Subscribed units are referred to as BTU until the Rights Issue has been registered with the Swedish Companies Registration Office. Trading in BTU will take place on Spotlight Stock Market from 11 November 2024 until the Rights Issue is registered with the Swedish Companies Registration Office.

WARRANTS OF SERIES TO 5

One (1) warrant of series TO 5 entitles the holder to subscribe for one (1) new share in the Company during the period 2 June 2025 to 16 June 2025. The subscription price for the subscription of shares by exercise of warrants of series TO 5 will correspond to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 19 May 2025 to and including 30 May 2025, however not lower than the share's quota value, and not higher than SEK 0.01, corresponding to 100 percent of the subscription price per share in the Rights Issue.

WARRANTS OF SERIES TO 6

One (1) warrant of series TO 6 entitles the holder to subscribe for one (1) new share in the Company during the period 30 November 2026 to 14 December 2026. The subscription price for the subscription of shares by exercise of warrants of series TO 6 will correspond to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 16 November 2026 to and including 27 November 2026, however not lower than the share's quota value, and not higher than SEK 0.015, corresponding to 150 percent of the subscription price per share in the Rights Issue.

SHAREHOLDERS' APPROVAL OF THE RIGHTS ISSUE

The Board of Directors of Spermosens has on 3 October 2024 resolved, and was approved by an Extraordinary General Meeting in the Company on 4 November 2024, to carry out a Rights Issue of up to 283,607,120 units, consisting of shares and warrants, with preferential rights for the Company's existing shareholders.

BACKGROUND AND REASON

The Company recognizes a current gap in effective diagnostic tools for assessing sperm quality. Enhancing the ability to personalize treatment options leads to higher fertilization success rates, which benefits couples undergoing treatment, strengthens clinics' competitiveness, and has positive effects on society. Spermosens is focused on global commercialization with comprehensive patent protection for its products.

The Company's second-generation patented product, JUNO-*Checked*, has been developed with improved performance and faster readout times, making it available for the ongoing clinical study at RMC in Malmö. This new version of JUNO-*Checked* will play a pivotal role in the study, which has been approved by the ethics committee. The study aims to demonstrate the diagnostic value of the product, a key step toward building credibility with potential partners and licensees.

Spermosens is prioritizing the identification of strategic partners and licensing opportunities for JUNO-*Checked* to broaden its use. The need for improved sperm quality assessment tools is significant, and JUNO-*Checked* has the potential to enhance IVF treatments, reduce waiting times, and improve outcomes for both patients and fertility clinics. The strategy for continued development and commercialization of JUNO-*Checked* follows a clear five-step plan:

1. Delivery of generation 1 of the product for research purposes (completed)
2. Delivery of generation 2 with enhanced performance for clinical study (completed)
3. Verification and validation through clinical study (ongoing)
4. Establishment of licensing agreements and strategic partnerships for global commercialization
5. Commercialization through partners and licensees

The Company's goal is to achieve market acceptance and positive cash flow through licensing agreements and partnerships within two years. The board believes that the long-term potential is great, with JUNO-*Checked* positioned to become a leading product in global fertility diagnostics.

In light of the above, the board and management of Spermosens have assessed that it is an appropriate time to carry out a Rights Issue.

Upon full subscription in the Rights Issue, the Company will receive initial proceeds of approximately SEK 22.7 million before deduction of issue costs of approximately SEK 2.8 million.

THE NET PROCEEDS OF APPROXIMATELY SEK 19,9 MILLION WILL BE ALLOCATED AS FOLLOWS:

1. Ongoing expenses for clinical trials, QA/RA	58%
2. Business development, IP and partnership collaboration	21%
3. Governance, IR, and administrative costs	17%
4. Repayment of loan	4%

The issue proceeds, regardless of the subscription level, will be used for the aforementioned purposes, but the allocation of the proceeds to each area may be affected by the subscription level.

In the event that the warrants of series TO 5 and TO 6 issued in the Rights Issue are fully exercised in June 2025 and December 2026, the Company will receive maximum additional proceeds of approximately SEK 22.7 million. The net proceeds from the exercise of warrants of series TO 5 are intended to strengthen the financing of the above-mentioned activities. The net proceeds from the exercise of warrants of series TO 6 are intended to support business development, including distribution and marketing in collaboration with partners.

THE BOARD OF DIRECTORS' ASSURANCE

The Board of Directors of the Company hereby certifies that the information in the Memorandum is, to the best of the Board of Directors' knowledge, accurate and that, to the best of the Board of Directors' knowledge, nothing has been omitted from the Memorandum that could affect its meaning, and that all relevant information from board meeting minutes, auditor certificates, and other internal documentation is included in the Memorandum.

6 November 2024

Spermosens AB (publ)

The Board of Directors

CEO STATEMENT

Many people struggle to have their own babies and most of us know someone in this difficult situation and how hard that can be. Infertility is one of the big challenges of our time and the low fertility rate threatens our society with dramatic demographic changes. Infertility has become a critical issue for many governments across Europe, the US, China and Japan. Efforts to raise awareness and improve access to fertility diagnostics and treatment are now high on the political agenda.

Male infertility, which accounts for a significant portion of these challenges, remains poorly understood and often overlooked. This is largely due to the lack of effective diagnostic tools, leading to many failed IVF cycles, which are both emotionally challenging for patients and costly for society.

At Spermosens, we are committed to finding new solutions that address male infertility. Our unique product, JUNO-*Checked*, aims to provide a much-needed breakthrough by improving the understanding of male fertility and enabling more personalized treatments that could increase success rates. Additionally, JUNO-*Checked* has potential applications for sperm banks, helping them ensure the highest quality sperm, and may even assist in identifying when a man has optimal sperm quality for natural conception—offering new hope for couples seeking to conceive.

I joined Spermosens alongside our new Chairman in May this year. Both of us bring extensive experience in life sciences—with both successes and setbacks. We found that Spermosens may offer something very special in an area with large unmet needs. What caught our attention and sparked the interest was a unique opportunity to develop a groundbreaking solution for assessing male infertility. JUNO-*Checked* is the first product capable of measuring a sperm cell's ability to bind to the egg, offering an entirely new approach to fertility diagnostics. We were also pleased to see the strong patent protection in place until 2039, with patents already granted in key markets such as the U.S., Japan, and the EU.

However, we also recognized some significant challenges. The Company was underfunded, there was limited clinical evidence to support the product and there was no clear or realistic plan for commercialization. It became evident that several things needed to change for Spermosens to reach its potential. In response, we quickly revised our strategy and plans which are formed around three key pillars:

1. **CLINICAL EVIDENCE:** We launched a clinical study to demonstrate the diagnostic value of JUNO-*Checked*, which is essential for making the product relevant and attractive to potential partners and the market.

2. **COMMERCIALIZING THROUGH PARTNERSHIPS:** Rather than taking the risky and capital-intensive approach of registering, marketing, and distributing the product, we opted for a more realistic strategy of forming partnerships to commercialize JUNO-*Checked* through licensing agreements. This approach lowers our capital requirements and accelerates potential revenue streams through upfront payments, milestones, and royalties.

3. **EFFICIENCY AND COST REDUCTIONS:** We conducted a thorough review of the Company's activities and costs. By streamlining operations and focusing on the essentials, we have cut costs by more than 50 percent, significantly reducing our capital needs going forward.

Since May, we have already achieved substantial progress. Most notably, we received approval from the ethics committee to begin our clinical trial at the Reproductive Medicine Center (RMC) in Malmö, one of Sweden's largest IVF clinics. In October, we recruited the first couple for the study, and we have since seen a steady flow of participants. In collaboration with our development and manufacturing partner, Flex Medical Solutions (FMS), we successfully developed the next generation of JUNO-*Checked* with improved biosensors, which are now being used in the clinical trial. In July, we initiated business development efforts to identify capable partners to register, launch, and commercialize JUNO-*Checked* in key markets. We are already engaged in serious discussions with potential partners and have signed a memorandum of understanding with a Japanese company. This work continues alongside our clinical study. We have also streamlined the organization, focusing on core activities and reducing costs. These changes have made the operations more efficient, with a substantially lower capital requirement.

While we have made meaningful progress, there is still much to accomplish, and securing financing remains crucial. This is why we are offering new and existing shareholders the opportunity to join or continue this journey with us. I understand that many shareholders may have concerns about the Company's performance in the past, and I want to emphasize that the changes we have implemented represent a new beginning for Spermosens. We have a solid strategy in place, an enhanced product, a clinical trial that is well underway and a realistic commercialization strategy through partnerships and license agreements.

The ongoing clinical trial has the potential to generate valuable evidence within a relatively short time frame, and we will provide updates on interim results as they become available. Positive results will unlock the value of JUNO-*Checked* and make it highly attractive to licensing partners in the growing infertility diagnostics market. The potential impact of our product is significant, and with continued progress in both our clinical study and business development efforts, Spermosens is well-positioned to deliver value to our shareholders.

Thank you for your continued trust and support.

TORE DUVOLD
CEO

TERMS AND CONDITIONS

RIGHTS ISSUE AND UNIT RIGHTS

Those who, on the record date 7 November 2024, are registered in the share register maintained by Euroclear Sweden AB, have preferential rights to subscribe for units in the Rights Issue in relation to their existing shareholding in the Company. One (1) existing share in Spermosens entitles to one (1) unit right. One (1) unit right entitle the holder to subscribe for one (1) unit in the Company. After the subscription period ends, unutilized unit rights will become invalid and will be removed from the VP account without special notification from Euroclear.

UNIT

One (1) unit consists of eight (8) shares, two (2) warrants of series TO 5 free of charge, and four (4) warrants of series TO 6 free of charge.

ISSUE VOLUME

The Offer comprises a maximum of 283,607,120 units, corresponding to proceeds of approximately SEK 22.7 million before deduction of issue costs. The Company's total issue costs are estimated to approximately SEK 2.8 million, primarily consisting of fees to financial and legal advisors as well as other administrative costs related to the Offer.

RECORD DATE

The record date with Euroclear for the right to participate in the Rights Issue is 7 November 2024. The last day of trading in the Company's shares, including the right to receive unit rights, is 5 November 2024. The first day of trading in the Company's shares excluding the right to receive unit rights is 6 November 2024.

OVER-ALLOTMENT OPTION

The Offer does not include an over-allotment option.

SUBSCRIPTION PRICE PER UNIT

The subscription price is SEK 0.08 per unit, which corresponds to SEK 0.01 per share. The warrants of series TO 5 and TO 6 are issued free of charge. No brokerage fee will be charged.

WARRANTS OF SERIES TO 5

One (1) warrant of series TO 5 entitles the holder to subscribe for one (1) new share in the Company during the period 2 June 2025 to 16 June 2025. The subscription price for the subscription of shares by exercise of warrants of series TO 5 will correspond to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 19 May 2025 to and including 30 May 2025, however not lower than the share's quota value, and not higher than SEK 0.01, corresponding to 100 percent of the subscription price per share in the Rights Issue. The warrants have the ISIN code SE0023134986 and are intended to be listed for trading on Spotlight Stock Market. For the complete terms and conditions for the warrants of series TO 5, please refer to "Terms and conditions for warrants of series TO 5 in Spermosens AB (publ)" available on the Company's website www.spermosens.com.

WARRANTS OF SERIES TO 6

One (1) warrant of series TO 6 entitles the holder to subscribe for one (1) new share in the Company during the period 30 November 2026 to 14 December 2026. The subscription price for the subscription of shares by exercise of warrants of series TO 6 will correspond to 70 percent of the volume-weighted average price paid for the Company's share during the period from and including 16 November 2026 to and including 27 November 2026, however not lower than the share's quota value, and not higher than SEK 0.015, corresponding to 150 percent of the subscription price per share in the Rights Issue. The warrants have the ISIN code SE0023134994 and are intended to be listed for trading on Spotlight Stock Market. For the complete terms and conditions for the warrants of series TO 6, please refer to "Terms and conditions for warrants of series TO 6 in Spermosens AB (publ)" available on the Company's website www.spermosens.com.

SUBSCRIPTION PERIOD

Subscription of units shall take place from 11 November 2024 to 25 November 2024. The Board of Directors reserves the right to extend the subscription period. After the subscription period has ended, unexercised unit rights will become invalid and subsequently lose their value. After the subscription period, unutilized unit rights will, without notification from Euroclear, be removed from the shareholders' VP accounts.

TRADING IN UNIT RIGHTS (UR)

Trading in unit rights is intended to take place on Spotlight Stock Market during the period from 11 November 2024 to 20 November 2024. Shareholders should apply directly to their bank or other trustee, with necessary permission, to purchase and sell unit rights. Unit rights acquired during the above-mentioned trading period will have the same right to subscribe for new units as the unit rights shareholders receive based on their holdings in the Company on the record date.

DIRECTLY REGISTERED SHAREHOLDERS - HOLDINGS IN VP ACCOUNT

Shareholders or representatives of shareholders who, on the record date 7 November 2024, are entered in the share register kept by Euroclear on behalf of the Company, will receive a preprinted issue statement with an attached payment notice, a special application form, and an application form for subscription without unit rights. Shareholders who are included in the special list of pledged holders and trustees kept in connection with the share register do not receive an issue statement but will be notified separately. No securities notification regarding registration of unit rights in a securities account is sent.

NOMINEE-REGISTERED SHAREHOLDERS

Shareholders whose holdings of shares in the Company are nominee-registered at a bank or other nominee will not receive an issue statement. Subscription and payment will instead take place according to instructions from the nominee.

SUBSCRIPTION AND PAYMENT OF UNITS WITH THE SUPPORT OF UNIT RIGHTS, DIRECTLY REGISTERED SHAREHOLDERS

Subscription for new units in the Offer by virtue of unit rights will be made by simultaneous cash payment during the period 11 November 2024 to 25 November 2024. Please note that it may take up to three banking days until the payment is received by Eminova Fondkommission. Subscription and payment shall be made by using one of the following two options:

1. PRE-PRINTED PAYMENT NOTICE, ISSUE STATEMENT
   Used if all unit rights received are to be used. Subscription takes place by payment of the pre-printed payment notice. Please note no further action is required for subscription and that the subscription is binding.

2. SPECIAL APPLICATION FORM
   Used if a different number of unit rights than is stated on the pre-printed issue statement is to be used, e.g. if unit rights have been purchased or sold. Subscription takes place when both the special application form and the payment have been received by Eminova Fondkommission. The reference for payment is the application form number. Incomplete or incorrectly completed application forms may be disregarded. The application form can be sent by ordinary mail (NOT RECORDED DELIVERY), by mail or by fax. Please note that the subscription is binding.

   A special application form can be obtained from Eminova Fondkommission AB, tel. 08-684 211 00, fax 08-684 211 29, e-mail info@eminova.se.

The completed subscription form must be received by Eminova Fondkommission no later than 15:00 on 25 November 2024. Subscription forms sent by mail should be dispatched well in advance of the last day of the subscription period.

The completed special application form should be sent to:

EMINOVA FONDKOMMISSION AB

Errand: Spermosens AB (publ)

Address: Biblioteksgatan 3, 3 tr., 111 46 Stockholm

Telephone: 08-684 211 00

Website: www.eminova.se

Fax: 08-684 211 29

E-mail: info@eminova.se (scanned application form)

SHAREHOLDERS ENTITLED TO SUBSCRIBE WHO RESIDE OUTSIDE OF SWEDEN

Directly registered shareholders entitled to subscribe who do not reside in Sweden and cannot use the pre-printed issue statement can make payments in Swedish kronor via SWIFT as outlined below. Subscription is considered completed when both the special application form and the payment have been received by Eminova Fondkommission.

BIC/SWIFT: NDEASESS

IBAN: SE8230000000032731703075

SUBSCRIPTION AND PAYMENT OF UNITS WITHOUT THE SUPPORT OF UNIT RIGHTS

In the event that not all units are subscribed for with the support of unit rights, the Board of Directors shall, within the framework of the maximum amount of the Rights Issue, decide on the allocation of the remaining units. Applications for subscription of units without the support of preferential rights must be made during the same period as the subscription of units with preferential rights, i.e., from 11 November 2024 to 25 November 2024.

Applications for subscription of units without the support of unit rights must be made using the subscription form titled "Subscription without unit rights" (Sw "Teckning utan stöd av uniträtter"), which can be downloaded from www.eminova.se. If more than one subscription form is submitted, only the first one received will be considered. No payment should be made at the time of application. Please note that the application is binding, and there is no possibility of reducing the number of subscribed securities. There is no limit to the number of units that can be applied for within the framework of the Offer.

If the application involves a subscription amount of EUR 15,000 (approximately SEK 170,000) or more, a completed KYC form and a certified copy of valid identification must accompany the subscription form. If the application concerns a legal entity, in addition to the KYC and identification, a valid certificate of incorporation (no older than three months) showing the authorized signatories must also accompany the subscription form. Notification of the allocation of units will be provided through the delivery of a transaction note, and allocation will occur once payment has been received by Eminova Fondkommission. Payment should be made to the bank giro as per the instructions on the transaction note and will never be debited from the specified VP account or deposit. If payment is not made on time, the units may be transferred to someone else. If the sale price in such a transfer fall below the price in the Offer, the person originally allocated these units may be held liable for all or part of the difference. No notification will be sent to those who have not been allocated units.

SHAREHOLDERS RESIDING IN CERTAIN INELIGIBLE JURISDICTIONS

Shareholders residing in countries where participation in the Rights Issue is wholly or partially subject to legal restrictions are not entitled to participate in the Rights Issue, for example, the USA (including its territories and provinces, any state of the USA, and the District of Columbia), Australia, Singapore, New Zealand, Japan, South Korea, Canada, Switzerland, Hong Kong, South Africa, Russia, and Belarus. These shareholders will not receive unit rights, issue statements, or any other information regarding the Rights Issue. Eminova Fondkommission reserves the right to deny subscriptions from individuals residing in countries where Eminova Fondkommission does not conduct business.

FOREIGN DIRECT INVESTMENT ACT

As the Company conducts protected activities in accordance with the Foreign Direct Investment Review Act (2023:560), certain investments in the Rights Issue may require review by the Inspectorate of Strategic Products (ISP). The Company will, at the latest, publish more information about this on its website (www.spermosens.com) in conjunction with the publication of the Memorandum.

ALLOCATION PRINCIPLES FOR SUBSCRIPTION WITHOUT THE SUPPORT OF 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 framework of 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:

i. Firstly, allocation shall be made to those who have subscribed for units with the support of unit rights and who have indicated this on the subscription form, regardless of whether they were shareholders on the record date or not and, in case of oversubscription, in proportion to the number of unit rights exercised for subscription, and to the extent this cannot be done, by lottery.

ii. Secondly, allocation shall be made to others who have only applied for subscription of units without the support of unit rights. In the event that full allocation to these applicants cannot be made and, in case of oversubscription, allocation will be made in proportion to the number of units each has subscribed for, and to the extent this cannot be done, by lottery.

TRADING WITH PAID SUBSCRIBED UNIT (BTU)

Subscription through payment will be registered with Euroclear as soon as possible, which typically means a few banking days after the payment. The subscriber will then receive a VP notice confirming that the BTU (paid subscribed units) have been booked into the VP account. The subscribed units are referred to as BTU until the Rights Issue has been registered with the Swedish Companies Registration Office. Trading in BTU is expected to take place on Spotlight Stock Market from 11 November 2024 until the Rights Issue has been registered with the Swedish Companies Registration Office.

TRADING WITH THE SHARE

The shares in the Company are traded on Spotlight Stock Market. The shares have the ISIN code SE0015346424 and are traded under the ticker symbol SPERM. Once the issue has been registered with the Swedish Companies Registration Office, the newly issued shares will also be subject to trading, which is planned to occur around week 50 2024. The specified registration date is preliminary and may be subject to change.

DELIVERY OF SECURITIES

As soon as the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to occur around week 50 2024, the BTU will be rebooked into shares and warrants of series TO 5 and TO 6 without any special notification from Euroclear. Shareholders whose shareholdings are nominee-registered will receive information from their respective custodian.

CONDITIONS FOR THE COMPLETION OF THE OFFER

The Board of Directors of Spermosens does not have the right to cancel, withdraw, or temporarily suspend the Offer to subscribe for units in the Company in accordance with the terms of this Memorandum. The Board of Directors of Spermosens has the right to extend, on one or more occasions, the period during which subscription and payment may be made. Any extension of the subscription period will be announced through a press release.

DILUTION AS A RESULT OF THE RIGHTS ISSUE

The number of shares will, assuming full subscription of the Rights Issue, increase by 2,268,856,960 from 283,607,120 to 2,552,464,080, which corresponds to a dilution of approximately 88.9 percent of the capital and votes in the Company after registration of the new shares with the Swedish Companies Registration Office.

If all 567,214,240 warrants of series TO 5 and all 1,134,428,480 warrants of series TO 6 are exercised for subscription of new shares in the Company, the number of shares will increase by an additional 1,701,642,720. The total dilution effect in the event that both the Rights Issue and warrants of series TO 5 and TO 6 are exercised, in full, amounts to approximately 93.3 percent.

ANNOUNCEMENT OF THE OUTCOME OF THE RIGHTS ISSUE

The announcement of the outcome of the Rights Issue will be made through a press release from the Company as soon as possible after the end of the subscription period, which is estimated to be around 27 November 2024. The announcement will also be published on the Company's website.

OTHER INFORMATION

Subscription of units with or without unit rights is irrevocable, and the subscriber cannot withdraw their subscription.

REGARDING SUBSCRIPTION TO ISK, IPS, OR CAPITAL INSURANCE.

In the case where the custody account or VP account is linked to a capital insurance, IPS, or ISK (investment savings account), specific rules apply when subscribing for new shares. The subscriber must contact their bank/manager and follow their instructions on how the subscription/payment should be handled. If the subscription is not carried out correctly, the delivery of allocated shares will not be possible to these types of accounts. The subscription is binding, and the submitted subscription form cannot be withdrawn. It is the subscriber's responsibility to ensure that the subscription is made in such a way that delivery can be made to the specified account.

REGARDING THE DELIVERY OF SUBSCRIBED SECURITIES

Incorrect or incomplete information in the subscription form, registration processing with the Swedish Companies Registration Office, late payments from investors, procedures at the managing bank or custody institution, or other factors beyond the control of Eminova Fondkommission, may delay the delivery of shares to the investor's VP account or custody account. Eminova Fondkommission disclaims all responsibility for losses or other consequences that may affect an investor as a result of the timing of the delivery of units.

TERMS FOR HANDLING INCORRECT, UNIDENTIFIABLE, OR LATE PAYMENTS – SUBSCRIBER/INVESTOR

In the event that the customer pays an excessively high and thus incorrect amount, or pays too late, Eminova Fondkommission will not refund amounts below SEK 10. By making an incorrect payment, the customer forfeits their right to claim the amount. For amounts of SEK 10 or more, the customer can contact Eminova Fondkommission to have the excess amount returned to the account from which the payment was made. The payer must provide documentation showing the paid amount, the account to which the payment was made, when and from which account the payment was made, as well as who owns the account. Eminova Fondkommission will not transfer the amount to any other account. The right to claim amounts between SEK 10-100 remains valid for one year from the date of payment. The right to claim amounts exceeding SEK 100 remains valid for ten years from the date of payment. After the claim period has expired, the amount will be deregistered from the customer.

In the event that the payment cannot be identified and linked to a customer, the amount will be registered under "unknown owners." It is the payer's responsibility to contact Eminova Fondkommission to claim the amount. The same terms, amount limits, and claim rights apply as stated in the paragraph above.

Eminova Fondkommission will not, on its own initiative, contact customers or others who have paid an incorrect amount, an unidentifiable amount, or made a late payment, to refund any excess amount. This responsibility rests with the payer.

Contact is made through email: info@eminova.se with ref. INBETALNING.

RIGHT TO DIVIDEND

The new shares entitle the holder to dividends for the first time on the record date for dividends that occurs immediately after the new shares have been registered with the Swedish Companies Registration Office.

APPLICABLE LEGISLATION

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

Shareholders' rights regarding dividend distribution, voting rights, preferential rights in the subscription of new shares, and more are governed partly by the Company’s Articles of Association, which are available on the Company's website, and partly by the Swedish Companies Act (2005:551).

BUSINESS AND MARKET OVERVIEW

GENERAL INFORMATION ABOUT THE COMPANY

The Company's name and commercial designation is Spermosens AB (publ) and the Company's organization number is 559179–0380. The Company is a public limited company formed and registered under Swedish law, with its registered office in Skåne county, Lund Municipality. The Company's operations are governed by, and its shares have been issued in accordance with, the Swedish Companies Act (2005:551). Spermosens' Legal Entity Identifier (LEI) is 549300OM-4P4VB7T8RN09.

The Company was founded in Sweden and registered with the Swedish Companies Registration Office on November 8, 2018. The Company shall conduct research, development, manufacturing, and sales of products for male fertility diagnostics and treatment, as well as engage in related activities.

As of the date of the Memorandum, the Company has 2 employees, consisting of 2 women and 0 men. Representatives of the Company can be reached by email at info@spermosens.com and at the office address Scheeletorget 1, 223 81 Lund. The Company's website is www.spermosens.com. Please note that information on Spermosens' website or a third-party website does not form part of this Memorandum.

INTRODUCTION TO SPERMOSENS

Spermosens was founded in 2018 and is a Swedish medical technology company dedicated to developing products for improved fertility diagnostics in men. Generation 1 of the Company's first patented product, JUNO-*Checked*, has been completed in RUO (Research Use Only) format, and the Company is now pursuing a strategic shift in its commercialization approach. Instead of undertaking the product registration and market introduction independently, Spermosens aims to demonstrate the diagnostic value of its technology through clinical studies and secure partnerships with established players in the Assisted Reproductive Technology (ART) field.

Through license agreements, Spermosens will collaborate with experienced partners who will manage the registration and commercialization of the product, while Spermosens provides intellectual property, know-how, and support to ensure their success. This approach is expected to reduce capital demand, accelerate the time to revenue and provide a stronger foundation for successful market introduction and expansion.

The product, based on over 10 years of research and development, utilizes patented technology protected until 2039 in all key European markets, as well as in the USA, Japan, and other regions. Spermosens is certified according to ISO 13485, ensuring compliance with international standards for medical devices. For further details on the geographic scope of the Company's patent protection, see the section "Intellectual Property Rights."

Spermosens is headquartered and operates its laboratory at Medicon Village in Lund, Sweden—a prominent hub of research and innovation in life sciences, supported by collaboration with key regional institutions like Lund University, the European Spallation Source (ESS), and MAX IV. Together, these organizations form a critical part of the dynamic Öresund region's life science ecosystem.

The Company's main focus is on gathering evidence for JUNO-*Checked* through its clinical study, which will demonstrate the product's diagnostic value. The product is developed based on research into crucial sperm-egg protein interactions, providing a more comprehensive assessment of male fertility. Spermosens believes there are no equivalent alternatives available, but the product's novelty may present initial barriers in adoption which will be addressed by the necessary clinical evidence. The ongoing clinical study will be key to validating the product and attracting licensing partners.

THE PROBLEM

Today's diagnostics are lacking in the assessment of sperm quality in men. Several studies have reported declining sperm quality and other markers of male reproductive health. The WHO estimates that over 48 million couples worldwide are affected by infertility. Each year, over 3 to 4 million IVF treatments are performed, of which fewer than one in five are successful. Typically, a couple undergoes three to eight IVF treatments without any guaranteed pregnancy. Male factors alone are responsible for approximately 30 percent of infertility cases, and an additional 20 percent contribute as a co-factor.[1] A significant focus has been placed on diagnosing female infertility, which has led to the neglect of male infertility—its research, diagnosis, and treatment. Although 50 percent of infertility cases are fully or partly caused by a male factor, the diagnostic techniques currently used for male infertility fail to determine fertility.[2] This results in significant suffering for couples undergoing treatment, particularly for women, who often experience both acute and chronic side effects from hormone treatments. More treatments and longer waiting times increase the suffering for treated couples and raise costs for society at large.

1. Agarwal, Majzoub, et al., 2019. A Schematic Overview of the Current Status of Male Infertility Practice.
2. World Health Organization (WHO), 2020. Infertility.

THE BREAKTHROUGH

Spermosens has developed a method that measures the interaction between sperm proteins and egg cell proteins, which enables the determination of sperm binding capacity. This is a breakthrough for IVF clinics, as it will help doctors to individualize and choose the appropriate IVF treatment. As a result, the success rate is expected to increase, while the time to pregnancy and the number of IVF treatments needed are expected to decrease.

SPERMOSENS TECHNOLOGY

Spermosens is engaged in innovative development in the field of male fertility, focusing on solutions for medical devices aimed at diagnosing and treating male infertility. JUNO-*Checked*, the Company's first patented product, assists in selecting the appropriate treatment method for assisted reproduction. The Company believes that the launch and use of Spermosens' products are expected to help shape and promote the global standard for IVF treatments. Spermosens' ambition is to offer medical technology solutions that cater to the entire value chain, both for current and future innovations.

MILESTONES IN BRIEF

The foundation for Spermosens' technology was laid in 2012 by Kushagr Punyani. The Company submitted a patent application in 2018, supported by Vinnova. In 2020, the European Patent Office confirmed the novelty, inventive step, and industrial applicability of the patent application, leading to national applications in Europe under the PACE program[3].

Spermosens was listed on Spotlight in 2021 and simultaneously established an advisory board with Scandinavian fertility experts. The Company received patent approval from the European Patent Office (valid until August 2039), support from the EU's IPA4SME program[4] and Vinnova for patent portfolio expansion and clinical validation. A functional prototype of JUNO-*Checked* was completed, and the first stage of the Company's ISO audit was successfully conducted.

In 2022, Spermosens licensed technology from SureCapture Technologies, granting global exclusive rights to surface modification technology in the fields of fertility, reproduction, and sexual health.

An agreement for validation for CE marking was signed with the Reproductive Medicine Center in Malmö (one of the largest IVF clinics in the Nordics). Additionally, the Company signed letters of intent with a U.S. sperm bank, Seattle Sperm Bank, and an IVF clinic in Denmark, along with production agreements with IOM Sweden AB and FlexMedical Solutions Ltd. Furthermore, the Company obtained patent approval in Japan and ISO certification for its quality management system.

In 2023, a production preparation phase for cassette production was completed, and later, generation 1 of JUNO-*Checked* was launched for research purposes (RUO) to demonstrate sperm binding capacity, with the first published results from its use. Spermosens received additional patent approvals in the USA and South Korea. The Company was also granted further support from Vinnova to attract top expertise.

At the beginning of 2024, Spermosens published a so-called White Paper[5] highlighting the effectiveness of the patented JUNO-*Checked* technology in testing human sperm samples. Conducted in collaboration with the Reproductive Medicine Center in Malmö, the document demonstrates the technology's potential to identify distinct differences in sperm binding capacity. The results support the Company's approach to assessing sperm binding, providing scientific insights into male fertility evaluation. The document includes, among other things, analysis design and data analysis.

The Company welcomed a new CEO and Chairman of the Board of Directors in May 2024, bringing fresh perspectives and leadership to guide Spermosens through its next phases of development and business development.

A revised strategy was implemented, centered around the clinical study, commercialization through partners and license agreements, and enhancing efficiency and reducing costs. Ethical approval for a clinical study was successfully obtained, aimed at proving diagnostic relevance and making the technology attractive for partners.

The recruitment of patients for the clinical study is progressing, with the goal of gathering valuable clinical evidence to demonstrate diagnostic relevance of the product. The development of the next generation of JUNO-*Checked* was accomplished with increased performance and reduced read out time.

Spermosens signed a contract with US based Scan Med-Partners LLC to assist the company in identifying relevant business partners in North America. Furthermore, Spermosens signed a memorandum of understanding with a Japanese partner, facilitating collaboration and opening market opportunities in Japan. To support long-term viability, the Company also implemented measures to enhance operational efficiency and reduce costs by more than 50 percent, significantly reducing required capital.

3. PACE Program: The PACE program from the European Patent Office is designed to accelerate the processing of patent applications. Applicants can request that their patent applications be examined more quickly under the program. The program aims to help inventors and companies obtain patent protection faster, which can be especially important in fast-moving sectors.

4. IPA4SME: The program was launched by the European Commission in 2019 to support small and medium-sized enterprises (SMEs) in effectively managing and protecting their intellectual property rights. The initiative aims to optimize the value of intellectual property, with the possibility for companies to receive grants.

5. White Paper: An informative document aimed at educating industry stakeholders about specific medical technology innovations or methods, often highlighting products, solutions, or strategies to address a particular issue. The Company's White Paper is available at the following link: https://mb.cision.com/Public/20200/3934364/bdcff99da28d8218.pdf.

VISION, GOALS AND STRATEGY

The Spermosens team is deeply committed to improving the quality of life for those affected by infertility and involuntary childlessness. The mission is to support patients in achieving successful treatment by providing innovative diagnostic and treatment solutions for assisted reproduction.

The Company's primary objective is to effectively demonstrate the value of its product while establishing meaningful partnerships that deliver benefits to patients, society, partners, and shareholders alike. The strategy centers on securing license agreements with partners who will undertake the commercialization of the product. This approach is not only more realistic and cost-effective but also positions the Company closer to generating revenue. The roadmap for the continued development of the Company's inaugural product is outlined in the following five-step plan:

1. Completion of Clinical Study (Ongoing)
   The clinical study aims to demonstrate the diagnostic value of Spermosens' product. Successful results will provide the foundation for future partnerships and commercialization.
2. Engagement with Potential Partners (Ongoing)
   Parallel to the clinical study, Spermosens is in dialogue with potential partners to secure license agreements. These agreements will cover key aspects such as product registration, market preparation, sales, marketing, and distribution across major markets, including the US, Europe, Japan, and China.
3. Preparation for License Agreements
   Spermosens will focus on finalizing license agreements with partners who will handle the commercialization of the product. These agreements will allow for efficient market entry without the Company shouldering the full financial and operational burden.
4. Partner-Led Market Preparations
   Once agreements are in place, Spermosens will collaborate with partners to ensure the product's readiness for the market, including any required certifications, marketing strategies, and distribution channels.
5. Global Commercialization Through Partners
   With partners taking charge of market entry, including registration, sales, and marketing efforts, Spermosens will support the process while working toward unlocking revenue streams through upfront payments, milestones, and royalties.

PRODUCT

JUNO-*Checked* consists of a measuring instrument and disposable cassettes. The cassettes contain biosensors onto which sperm samples are applied to measure binding capacity. Standard IVF would be recommended for sperm with high measured binding capacity, taking advantage of the natural fertilization process. If a low value is observed, the alternative treatment ICSI is recommended[6].

BUSINESS MODEL

Spermosens' revised business model focuses on licensing its patented technology to strategic partners in the Assisted Reproductive Technology (ART) field, who will handle the registration, commercialization and market expansion. This shift represents a more efficient path to market, allowing Spermosens to focus on providing intellectual property, know-how, and support, while its partners manage product distribution and sales. By adopting this approach, the Company reduces capital demand, shortens the time to revenue, and enhances the likelihood of successful commercialization.

While the previous strategy focused on direct sales of these instruments and cassettes to clinics and larger IVF chains, the revised strategy will rely on partners to commercialize the product. This model will still allow for a recurring revenue stream through the single-use cassettes, which remain a critical component of the product offering. However, the production, sale, and distribution of these items will be executed by the Company's commercial partners.

Spermosens collaborates with contract manufacturers to ensure flexible production capacity, high quality, and cost efficiency. This partnership allows for rapid scaling of production volumes as market demand increases, with initial production based on CE-marked technology from PalmSens BV. PalmSens' technology supports the testing of multiple samples simultaneously and contributes to cost-effective instrument development. Distribution will now be handled by partners with established logistics capabilities, ensuring seamless global delivery to end customers.

In line with its strategy to minimize fixed costs, Spermosens continues **to outsource administrative services,** which helps maintain a lean operational structure and enhances the Company's flexibility. This optimized cost structure, combined with the licensing approach, positions Spermosens to focus on innovation while leveraging partners for market expansion and growth.

6. "ICSI": Intracytoplasmic sperm injection (eng.) / Intracytoplasmatisk spermieinjektion (sw.)

INTELLECTUAL PROPERTY RIGHTS

Spermosens operates in competitive markets, which necessitate well-designed protection for its technology. Spermosens has Høiberg - European Patent Attorneys as its representative for patent management. Spermosens' patent protection covers the medical device, including the biosensor and its use for the selection of suitable sperm for in vitro fertilization (IVF) treatment. Spermosens has obtained patent protection for its technology in 16 European countries, as well as Japan, South Korea, South Africa, Hong Kong, the USA, and Australia.

Below is a summary of the Company's existing intellectual property patent protections along with ongoing patent applications in other key markets. The existing intellectual property protections are considered sufficient for the Company's planned commercialization in the markets identified so far.

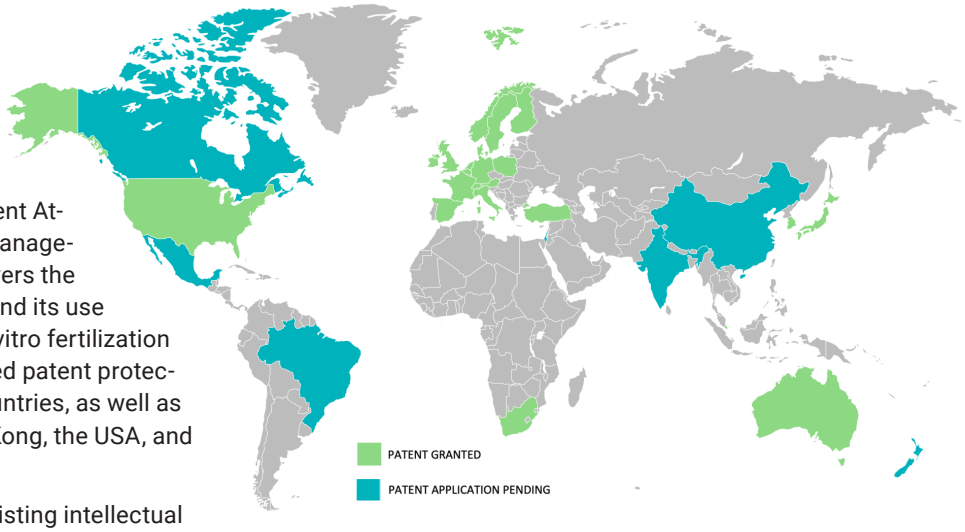

Figure: Illustration of countries in which the Company already has patent protection or has pending applications.

Source: The Company's illustration.

GRANTED PATENTS

Country	Patent number	Patent date	Valid until
Australia	AU 2019325300	2024-01-18	2039-08-23
South Korea	KR 10-2594453	2023-10-23	2039-08-23
USA	US 11,782,052	2023-10-10	2039-08-23
Japan	JP 7168265	2022-10-31	2039-08-23
South Africa	ZA 2021/00472	2022-07-27	2039-08-23
European patent[7]	EP 3 768 825	2021-08-11	2039-08-23
Hong Kong	40037058	2021-08-11	2039-08-23
Singapore	SG 11202100358V	2019-08-23	2039-08-23

ONGOING PATENT APPLICATIONS

Country	Application	Application date	Valid until
Brazil	BR 112021001488 8.	2019-08-23	2039-08-23
India	IN 202127004078	2019-08-23	2039-08-23
Israel	IL 280445	2019-08-23	2039-08-23
Kanada	CA 3,109,529	2019-08-23	2039-08-23
China	CN 201980055564.6	2019-08-23	2039-08-23
Mexico	MX/a/2021/002145	2019-08-23	2039-08-23
New Zealand	NZ 773699	2019-08-23	2039-08-23
USA*	US 17/260,609	2019-08-23	2039-08-23

7. European patent validated in: Belgium, Denmark, Finland, France, Ireland, Italy, the Netherlands, Norway, Austria, Poland, Switzerland, Spain, the United Kingdom, Sweden, Turkey, Germany.

*The United States Patent and Trademark Office (USPTO) has issued a Notice of Allowance.

PARTNERSHIPS FOR PRODUCTION AND LICENSES

The Company collaborates with contract manufacturers for the future production of both the instrument and the cassette. The collaboration with OIM Sweden AB and PalmSens BV pertains to the instrument, while the collaboration with FlexMedical Solutions Ltd in Scotland focuses on the cassette. The partnership agreement with OIM Sweden AB and PalmSens BV provides Spermosens with access to high-quality and flexible ISO-certified production capacity. FlexMedical Solutions Ltd has extensive experience throughout the product development lifecycle and has helped bring several products to market. By ensuring flexible production capacity with low fixed costs, quality and cost-efficiency in manufacturing are maintained.

Spermosens' suppliers have been selected through an ISO-certified selection process. Criteria are set based on the specific product or service being procured. For example, it is required that the partner holds ISO 13485 certification. Potential suppliers are evaluated based on their business, operational, and technical capabilities. Evaluation is conducted through relevant information from various sources, requests for certifications, and for critical suppliers, an on-site audit. The information is documented and assessed.

Spermosens has licensed the intellectual property of SureCapture Technologies AB related to so-called dynamic self-organizing monolayers (membrane-mimics). This technology enables new chemistry for the creation of surfaces with one or more bioactive molecules, offering cost efficiency and enhanced performance. The technology complements Spermosens' own intellectual property and serves as an excellent tool for enabling both new and improved products in the future. Compensation to SureCapture Technologies AB includes a future royalty of 1.5 percent of the sales value for products that incorporate the technology covered by the license agreement.

CERTIFICATION AND PERMITS

The target markets where the Company plans to establish itself and expand are regulated. Therefore, Spermosens has established a quality management system (QMS), ensuring compliance with regulations in Europe and the US.

Spermosens is registered with the Swedish Medical Products Agency and is well prepared to meet the requirements in the development of JUNO-*Checked*. The Company is also registered as a manufacturer with EUDAMED[8], where it actively works to meet the stringent requirements set for IVDR[9] products. Furthermore, Spermosens has completed a so-called "pre-submission" to the FDA, a formal request for feedback from the FDA to provide guidance and facilitate the application process. Documentation for the application is being accumulated continuously.

Since 2022, Spermosens has been ISO 13485 certified and has successfully undergone two audits without any significant remarks. The Company has also conducted initial investigations of regulatory requirements for the Japanese market, in collaboration with organizations such as JETRO[10], and does not foresee any major regulatory obstacles for future market entry there.

The Company continuously gathers information about regulatory requirements in its key markets to ensure compliance and efficiency in its global expansion.

TARGET MARKET AND COMMERCIAL FOCUS

Spermosens primarily targets the Assisted Reproductive Technology (ART) field, with a particular focus on IVF clinics and sperm banks. In 2019, there were 1,774 IVF clinics in Europe, performing over one million treatment cycles annually. In Sweden alone, 25,000 treatments were initiated in 2021 across 22 clinics, including both public and private institutions. The Reproductive Medicine Center (RMC) in Malmö, one of Sweden's largest IVF clinics, performs more than 2,000 embryo transfers each year.

As part of its revised strategy, Spermosens will collaborate with key partners in the ART field rather than directly targeting IVF clinics for sales. This approach aims to secure license agreements with experienced players who will handle registration, commercialization, and distribution of the JUNO-*Checked* product, leveraging their established market presence. This strategy will allow Spermosens to provide intellectual property, know-how, and technical support, while partners drive market expansion.

Previously, the Company planned to conduct sales for research use only (RUO) by targeting select IVF clinics and sperm banks. Under the new strategy, the focus is on building strategic partnerships with larger players in key regions, while continuing to provide RUO sales to select partners during the early stages of clinical validation. In particular, the Company's collaborations with clinics like the Reproductive Medicine Center (RMC) in Malmö help to demonstrate the product's diagnostic value.

Through these collaborations and RUO sales, Spermosens aims to generate clinical evidence that will further validate JUNO-*Checked* and position the Company to secure strong licensing agreements with partners in Europe, the USA, and Japan. Once the product receives regulatory certification, partners will commercialize the product for diagnostic purposes in clinical settings, which is expected to drive significant revenue growth.

8. EUDAMED: The common European database/IT system designed to store and manage information about medical devices (IVD products), aesthetic products according to Annex XVI of the MDR, accessories for such products, and their manufacturers.

9. "IVDR": In Vitro Diagnostic Regulation.

10. "JETRO": The Japan External Trade Organization. JETRO is a government organization that works to promote mutual trade and investment between Japan and the rest of the world.

RESEARCH AND DEVELOPMENT

JUNO-*Checked* for diagnostic purposes is a starting point. Spermosens is strategically positioning itself to validate the use of its patented technology for various indications, from fertilization success rates in IVF to embryo quality and pregnancy rates. Spermosens' pipeline is intended to evolve with data collection from the Company's own clinical research and partnerships.

This portfolio strategy not only sets the stage for market expansion through new products but also aligns with Spermosens' commitment to scientifically sound innovations. A natural step beyond JUNO-*Checked* is, for example, JUNO-*Picked*, which aims to select sperm for ICSI. Insights from clinical data will be crucial in determining Spermosens' future product pathway.

COMMERCIALIZATION

Spermosens is now focusing its efforts on securing partnerships with leading fertility clinics and relevant players in the Assisted Reproductive Technology (ART) field, shifting away from the RUO sales model. The goal is to establish licensing agreements with partners who will take responsibility for the regulatory registration and commercialization of the product. By doing so, Spermosens aims to reduce its capital requirements, accelerate the path to revenue, and create a stronger foundation for successful commercialization.

Instead of focusing on early-stage RUO sales, the company is in the process of demonstrating the diagnostic value of its JUNO-*Checked* technology through ongoing clinical study. This study is designed to collect the necessary clinical evidence to validate the product for ART clinics. This approach will attract partners capable of efficiently commercializing the product in key markets, including Europe, the USA, and Japan, while leveraging Spermosens' intellectual property, know-how, and technical expertise.

The revised strategy also includes focusing on IVF clinics that are already equipped to handle cutting-edge fertility diagnostics and will take part of the clinical trial process. These clinics will play a key role in showcasing the effectiveness of the product and facilitating its adoption in the market. By targeting leading players in the ART space, Spermosens will maximize its reach and potential for broader market impact.

Spermosens' partnership model emphasizes scalability, with partners responsible for registration, launch, distribution and sales, ensuring a flexible and cost-efficient approach to meet future demand. Japan remains a key market due to its significance in the global fertility market, with ongoing discussions based on a memorandum of understanding for future collaborations in the region.

COMPETITION

Spermosens considers itself to be in a favorable position in the male fertility equipment market for the following reasons. The market is characterized by a high bargaining power of suppliers, which means that IVF clinics often face high costs and difficulties in switching between fertility solutions. However, the bargaining power of buyers, such as these clinics, is considered moderate due to technical limitations in existing equipment for sperm quality diagnostics.

The risk of competition from new market entrants is assessed as low, primarily due to existing patent protections and the significant investments required in research and development, as well as the stringent regulatory requirements. Despite considerable investments in fertility-related startups, these new players generally do not focus on fertility issues at the protein level, which is Spermosens' area of focus.

The threat of substitutes is also considered low, as there are no good alternatives for accurately determining a man's fertility potential. The Company believes that existing methods, such as WHO parameters, do not significantly improve IVF success rates.

Market rivalry is considered moderate. Existing competitors focus on aspects such as sperm health, lifestyle influences, and DNA fragmentation analysis. However, they do not address the critical issue of protein binding between male and female reproductive cells, which is essential for fertilization—an area where Spermosens excels.

Spermosens believes it stands out in the market for several reasons. Firstly, the technology focuses on fertilization potential, a critical aspect that is often overlooked by other technologies.

The approach, based on research into specific proteins that are crucial for fertilization, is considered by the Company to offer a new and more comprehensive understanding of male fertility. Additionally, Spermosens believes that the technology is more user-friendly, requires minimal training, and is more cost-effective compared to other solutions, making it attractive to IVF clinics. The unique combination of innovative technology and functionality positions Spermosens favorably in the competition.

FINANCIAL STRATEGY AND FINANCING

Spermosens is currently in a growth phase focused on building strategic partnerships and entering into license agreements to commercialize its technology. The Company's primary goal is to achieve positive cash flow through partnerships, which will include upfront payments, milestones, and royalties, rather than relying on direct market introductions or research sales. Given this strategic direction, no dividends are planned in the foreseeable future. Instead, all generated cash flow will be reinvested into the Company to support its growth and commercialization strategy.

Until these partnerships generate sufficient cash flow to cover the Company's operational and investment needs, financing will continue through external sources, such as share issues or other forms of risk capital. However, as the Company progresses toward establishing licensing agreements, the need for additional capital will decrease. Revenues from these agreements are expected to contribute significantly to financing the Company's growth and eventual move towards profitability.

The Company's collaboration with contract manufacturers ensures flexibility and scalability, with production ramping up as demand increases. With the completion of analytical and clinical studies, coupled with successful partnerships, Spermosens expects a shift towards a more stable cash flow model, driven by recurring revenues from licensing arrangements.

MARKET OVERVIEW

The Company's relevant target market is the Assisted Reproduction Technologies market (ART), with an initial commercialization focus on Scandinavia, Japan and the USA, followed by the rest of Europe. Sperm banks, which sell sperm donations for IVF treatments and insemination, also represent a high-potential market category in focus.

INTRODUCTION

According to the Company's assessment, there is currently no clinically effective method for evaluating sperm binding to the egg cell. The existing method used to diagnose sperm quality before an IVF treatment is limited to determining whether there is a normal sperm count, whether they look and move normally, but not whether the sperm has the ability to fertilize the egg (binding capacity). Spermosens' first patented product specifically measures the binding capacity between sperm and egg, which is a prerequisite for natural fertilization. The results are expected to help clinics identify the appropriate treatment method, contributing to more successful IVF treatments, reduced suffering, and improved quality of life. The launch and use of Spermosens' solution is expected to result in higher fertilization rates, benefiting treated couples, the clinics' competitiveness, and society at large. Despite the unique qualities of the technology, the Company expects a certain degree of caution in the market initially.

THE IVF MARKET

Spermosens has a global commercialization focus and extensive patent protection. The global IVF market was estimated to be worth approximately USD 25 billion in 2023, with an annual growth rate projected at around 6 percent until 2030.[11] The Company estimates the sales potential for JUNO-*Checked* to be approximately USD 600 million, based on 3 million annual IVF treatments and an assumed average price of USD 200 per cassette. The Company's market within Assisted Reproduction Technology (ART) primarily consists of the world's IVF clinics, which together perform more than 3 million IVF treatments annually. The private market is partially consolidated into clinic chains, some of which operate across multiple countries and, in some cases, across continents. Demand is currently very high, the market is underserved, and couples are estimated to be on waiting lists for up to three years.[12]

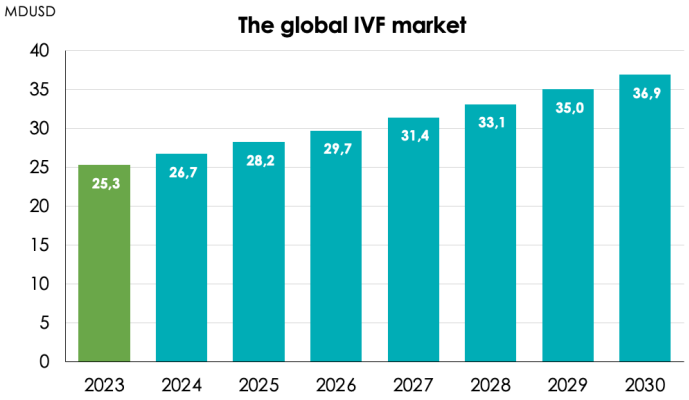

Figure: Illustration of anticipated development for the global IVF market.

Source: The Company's illustration, based on information from Grand View Research (GVR), 2023. *In Vitro Fertilization Market*.

In Europe, data is compiled by the European Society of Human Reproduction and Embryology. The latest compilation is based on data from 2019.[13] A total of 1,488 clinics, out of 1,774 offering Assisted Reproduction Technology (ART) services in 40 countries, reported more than 1 million treatment cycles.

11. Grand View Research (GVR), 2023. In Vitro Fertilization Market.
12. Fertility Europe, 2022.
13. European Society of Human Reproduction and Embryology (ESHRE), 2019. ART in Europe.

Country	IVF clinics	Included clinics	IUI labs	Included IUI-labs	Cycles
Spain	244	242	304	304	137 276
France	103	103	176	176	118 394
Germany	139	133	-	-	107 136
Italy	189	189	299	299	85 038
Great Britain	86	86	100	-	70 313
Czech Republic	46	46	-	-	38 717
Ukraine	50	49	17	17	38 402
Belgium	18	18	29	29	34 440
Poland	44	42	-	42	33 159
Turkey	167	26	167	25	33 098
Netherlands	15	15	-	-	28 213
Greece	41	40	41	40	26 694
Sweden	19	18	-	-	20 622
Denmark	19	19	51	50	15 859
Kazakhstan	23	18	23	18	15 748
Portugal	25	25	27	27	12 198
Switzerland	28	28	-	-	11 785
Norway	11	11	11	11	11 638
Austria	30	30	-	-	10 809
Others	477	350	177	131	228 274
Total	**1774**	**1488**	**1422**	**1169**	**1 077 813**

In China, 1,075,788 cycles were performed in 2018.[14] In Japan, one of the largest markets with a growth rate of 10 percent, over 498,000 treatment cycles were reported in 2021[15] and in the USA, over 413,776 cycles of Assisted Reproduction Technology (ART) were conducted at 453 reporting clinics in 2021.[16] Globally, it is estimated that over 3 million cycles are performed annually.[17]

In total, over 3 million cycles are performed annually in Europe, China, Japan, and the USA alone. With more than 3 million annual treatments and an assumed sales price of USD 200 per cassette, Spermosens estimates the sales potential for its first fully developed and approved product, JUNO-*Checked*, to exceed USD 600 million. With global patent protection, pressing market demand, and the Company's assessment of a lack of competing diagnostic products.

14. International Committee for Monitoring Assisted Reproductive Technologies (ICMART), 2018. World Report: ART 2018 (preliminary).
15. The Asahi Shimbun, 2023. 70,000 babies born via IVF in Japan in 2021, a record high.
16. Centers for Disease Control and Prevention (CDC), 2021. ART Success Rates.
17. World Health Organization (WHO), 2020. Infertility.

SPERM BANKS

Another key market category for Spermosens is sperm banks that sell sperm donations for IVF treatments and insemination. The global market for sperm banks was estimated at USD 5 billion in 2022 and is expected to grow at an annual growth rate of approximately 4 percent until 2030.[18] Spermosens' technology provides sperm banks with the ability to improve donor quality and significantly increase success rates, leading to more children being born from successful IVF treatments.

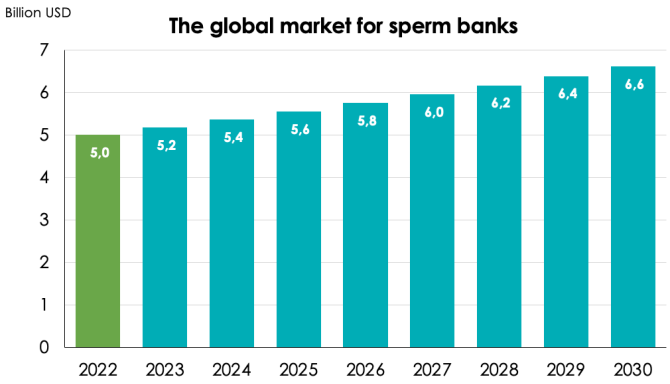

Figure: Illustration of the global market for sperm banks.

Source: The Company's illustration, based on information from Grand View Research (GVR), 2023. *Sperm Bank Market*.

NATIONAL COMPENSATION FOR IVF TREATMENTS

In many of the Company's target markets, there is the possibility of receiving full or partial reimbursement for IVF treatment. The European IVF-monitoring Consortium (EIM), a committee within ESHRE, designed a survey to understand how medically assisted reproductive treatments are regulated and reimbursed in Europe. The EIM document provides a comprehensive overview of the situation regarding reimbursement, legislation, and registries for Assisted Reproduction Technology (ART) in European countries.[19] The report reflects the situation in 44 countries as of December 31, 2020. No legislative changes that have occurred since then are included in the presented data.

In the USA, health insurance companies in 15 states are required to cover in vitro fertilization (IVF), according to The National Infertility Association.[20] In Sweden, up to three treatments performed within the public sector are covered by the insurance system.[21]

18. Grand View Research (GVR), 2023. Sperm Bank Market.
19. NAU, ult. 2020. Legislation and reimbursement of ART and IUI treatments in Europe.
20. GE Health Care, 2021. The State of IVF Insurance Coverage: Global Highlights and Where We Are Now.
21. European Society of Human Reproduction and Embryology (ESHRE), 2019. Resources.

FINANCIAL INFORMATION

DOCUMENTS INCORPORATED BY REFERENCE

Complete historical financial information, including accounting principles and other supplementary information, as well as audit reports, has been incorporated into this Memorandum by reference to the annual reports for the financial years 2022 and 2023, as well as the interim report for the period January 1 – September 30, 2024. The historical financial information in the form of the annual reports for 2022 and 2023 has been audited by Mazars AB, with Andreas Brodström as the lead auditor. The annual reports have been prepared in accordance with the Annual Accounts Act and by applying the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3). The interim report for the period January 1 – September 30, 2024, has not been audited by the Company's auditor. The two most recent annual reports along with the audit report, year-end report, and articles of association can be found at www.spermosens.com. Amounts in this section may in some cases have been rounded, which means that the totals may not always be exact.

Spermosens' annual report for the financial year 2023 includes the income statement on page 6, the balance sheet on page 7, changes in equity on page 8, the cash flow statement on page 9, notes on pages 10–14, and the audit report attached to the annual report.

Spermosens' annual report for the financial year 2022; with the income statement found on page 5, the balance sheet on page 6, changes in equity on page 7, the cash flow statement on page 8, notes on pages 9–13, and the auditor's report attached to the annual report.

Spermosens' interim report for the period January 1 – September 30, 2024; with the income statement found on page 8, the balance sheet on page 9, changes in equity on page 9, and the cash flow statement on page 9.

In 2023, the Company transitioned from a nature of expense income statement to a function of expense income statement to more accurately reflect its operations. The comparative figures for the full year 2022 have been recalculated accordingly, and as a result, the 2022 figures presented in the tables below are sourced from the 2023 annual report.

INCOME STATEMENT

	2024-01-01-2024-09-30	2023-01-01-2023-12-31	2022-01-01-2022-12-31
Amounts in SEK thousands	**Unaudited**	**Unaudited**	**Unaudited**
Net sales		-	-
Total Income		-	-
Operating expenses			
Research and development	-3 787	-5 266	-11 630
General and administration	-3 149	-5 628	-7 773
Other revenues and expenses	146	21	340
Operating expenses	**-6 790**	**-10 873**	**-19 063**
Operating profit/loss	**-6 790**	**-10 873**	**-19 063**
Financial income and expenses			
Financial net	-955	-1 329	-129
Profit/loss after financial net	**-7 745**	**-12 202**	**-19 192**
Profit/loss before tax	**-7 745**	**-12 202**	**-19 192**
Tax	-	-	-
Profit/loss for the period	-7 745	-12 202	-19 192

BALANCE SHEET

	2024-09-30	2023-12-31	2022-12-31
Amounts in SEK thousands	**Unaudited**	**Unaudited**	**Unaudited**
ASSETS			
Fixed Assets			
Immaterial assets			
Balanced expenses for research and development work and similar work	23 739	19 738	7 581
Material assets			
Machinery and other technical fixed assets	518	652	714
Total fixed assets	**24 257**	**20 390**	**8 295**
Current assets			
Accounts receivables	126		
Tax Receivable		70	13
Other current receivables	483	216	430
Prepaid expenses and accrued income		937	374
	609	**1 223**	**817**
Cash and cash equivalents	129	4 492	552
Total current assets	**738**	**4 492**	**552**
TOTAL ASSETS	**24 995**	**26 105**	**9 664**

EQUITY AND LIABILITIES

Equity			
Restricted equity			
Share capital		4 119	1 212
fund for development expenditure		19 738	14 127
		23 857	**15 339**
Unrestricted shareholders equity			
Share premium		65 605	49 446
Accumulated retained earnings		-64 568	-39 764
Profit/loss for the period		-12 202	-19 192
		-11 165	**-9 510**
Total equity	**21 970**	**12 692**	**5 829**
Non-current liabilities			
Long-term debt interest bearing	31	230	1 235
Total non-current liabilities	**31**	**230**	**1 235**
Current liabilities			
Short-term debt interest bearing	595	9 287	125
Accounts payable	549	1 339	740
Current tax liability		-	-
Other payables	1 849	1 121	507
Accrued costs		1 436	1 228
Total current liabilities	**2 993**	**13 183**	**2 600**
TOTAL EQUITY AND LIABILITIES	**24 994**	**26 105**	**9 664**

CASH FLOW STATEMENT

Amounts in SEK thousands	2024-01-01-2024-09-30 Unaudited	2023-01-01-2023-12-31 Unaudited	2022-01-01-2022-12-31 Unaudited
Cash flow from operating activities			
Operating profit/loss	-6 790	-10 873	-19 063
Depreciations	134	169	63
Adjustments for items not included in cash flow	-233	-658	52
Interest payments, net	-955	-591	-129
Cash flow from operating activities before changes in working capital	**-7 844**	**-11 953**	**-19 077**
Changes in working capital			
Changes in current receivables		-418	-100
Changes in current liabilities	-885	1 434	911
Cash flow from operating activities	**-8 729**	**-10 937**	**-18 266**
investment activities			
Investment in intangible fixed assets		-12 157	-6 486
Investment in tangible fixed assets		-108	-777
Cash flow from investment activities	**-4 001**	**-12 265**	**-7 263**
Financing activities			
New debt		8 700	1 000
Repayment of debt		-543	-130
New share issue (net)		18 985	18 571
Warrants		-	-51
Cash flow from financing activities	**8 366**	**27 142**	**19 390**
Total cash flow	-4 363	3 940	-6 139
Cash and Cash equivalents at the beginning of the period	4 492	552	6 691
Cash and cash equivalents at end of the period	129	4 492	552

KEY FIGURES

Amounts in SEK thousands unless otherwise stated	Unaudited Jan-Sep 2024	Unaudited Full Year 2023	Unaudited Full Year 2022
Net sales	-	-	-
Operating profit/loss	-6 790	-10 873	-19 063
Cash	129	4 492	552
Cash flow for the period	-4 363	3 940	-6 139
Equity	21 970	12 692	5 829
Total assets	24 955	26 105	9 664

SIGNIFICANT CHANGES IN SPERMOSENS' FINANCIAL POSITION AFTER 30 SEPTEMBER 2024

No significant changes have occurred in the Company's financial position after September 30 2024, up until the date of the Memorandum.

DIVIDEND POLICY

As of the date of the Memorandum, the Company has not adopted a dividend policy. Spermosens is in a development and expansion phase. Therefore, the board currently intends for the Company to retain any earnings to finance growth and operations, and consequently does not anticipate paying any cash dividends in the coming years. The ability for Spermosens to pay dividends in the future depends on a number of factors, such as future revenues, financial position, cash flow, working capital needs, investment costs, and other factors.

WORKING CAPITAL STATEMENT

The board assesses that the existing working capital, meaning the working capital before the execution of the Offer, does not cover the Company's working capital needs for the coming twelve-month period, given the current business plan.

To continue implementing the Company's development and expansion plans and to secure sufficient working capital for its ongoing operations, the board has decided to carry out a Rights Issue. The Company estimates that its working capital needs for the coming twelve-month period will be met through the upcoming Rights Issue via the capital raised.

If the Offer is fully subscribed, the Company will receive approximately SEK 22.7 million before deduction of issue costs.

In the event that the Offer is not subscribed to a level sufficient to meet the Company's working capital needs, the board intends to seek alternative external financing, such as through a directed issue, loans, and/or other credit facilities such as customer prepayments. If the Company is unable to secure sufficient external financing to cover the remaining working capital shortfall, the Company may need to take actions such as divesting assets, shutting down certain operations, or operating at a slower pace than anticipated until additional capital can be raised. There is no certainty that the Company will be able to secure alternative financing or that cost-cutting measures will have the desired effect.

EQUITY AND DEBT

The Company's cash amounted to SEK 129 thousand at the end of September 2024, compared to SEK 8 639 thousand at the same time in 2023.

Equity amounted to SEK 21 970 thousand at the end of September 2024, compared to SEK 14 731 thousand at the same time in 2023.

At the end of September 2024, the Company's current assets amounted to SEK 609 thousand compared to SEK 758 thousand at the same time in 2023.

At the end of September 2024, the Company had current liabilities of SEK 2 993 thousand compared to SEK 12 116 thousand at the same time in 2023.

At the end of September 2024, the Company had non-current liabilities of SEK 31 thousand compared to SEK 377 thousand at the same time in 2023.

BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

According to Spermosens' articles of association, the Board of Directors shall consist of no fewer than four and no more than seven board members, with no fewer than zero and no more than seven deputy members. The board is based in Lund Municipality.

The Company's board consists of five members, including the chairman, with no deputies, who have been elected until the end of the 2025 annual general meeting.

The table below presents the board members, their positions, year of birth, the year they were appointed, their independence—both in relation to the Company and its senior executives, and in relation to the Company's major shareholders—as well as their holdings of shares and subscription warrants in the Company. Shareholdings refer to shares that are directly registered, held in a custody account, ISK, or similar. Holdings also include shares owned by personal companies. Major shareholders are defined in the Swedish Corporate Governance Code as shareholders who directly or indirectly control ten percent or more of the shares or votes in the Company.

Name	Position	Year of birth	Elected	Independent in relation to the Company and Company management	Independent in relation to the Company's major shareholders	Holdings (shares)	Holdings (warrants)
Ulrik Spork	Chairman	1964	2024	Yes	Yes	-	-
Christina Östberg Lloyd	Board member	1961	2022	Yes	Yes	-	-
Ingela Liljeqvist Soltic	Board member	1967	2019	Yes	Yes	-	-
Kushagr Punyani	Board member	1991	2018	Yes	Yes	1 637 764	-
Søren Melsing Frederiksen	Board member	1976	2020	Yes	Yes	395 132	-

Below is additional information about the board members' other ongoing significant assignments and other relevant experience. All board members can be reached through the Company at the address Scheeletorget 1, 223 81 Lund, Sweden.

ULRIK SPORK, CHAIRMAN OF THE BOARD

Education and experience: Ulrik Spork has a strong background in institutional investments and has held positions as Managing Partner and Senior Partner at Novo Holdings. His responsibilities have included overseeing Principal Investments, Novo Growth Equity, and Novo Ventures. Since 2016, he has served as chairman of Danish Growth Capital II. In addition to venture investments, Ulrik also has extensive experience with SME boards in the medical technology and life science sectors and has over the last 30 years served as chairman or board member in more than 30 startup companies in jurisdictions across North America, Europe and Scandinavia.

Other ongoing significant assignments: Chairman in SoftOx Solutions AS, Innocon Medical ApS, board member in Cerebriu ApS.

CHRISTINA ÖSTBERG LLOYD

Education and experience: Christina Östberg Lloyd is currently the founder and CEO of Care & Communication AB, a consultant in Life Science with a focus on strategy and business management, leadership, communication, as well as medical and scientific affairs. She is also part of the management team at 2HealMedical, a healthcare company focused on women's health, preconception, and infertility. Additionally, she serves as the chair of VILDA, a national network for women in top management within Life Science. Christina has 25 years of experience in big pharma, including roles at Ferring and Novo Nordisk, and was also the CEO of the femtech company Pharmiva, which was publicly listed under her leadership. Until recently, she was the global head at Ferring Pharmaceuticals A/S, serving as Senior Vice President and Global Head of Reproductive Medicine Maternal Health, RMMH. Christina is an M.D. and a specialist in gynecology and obstetrics, with a focus on reproductive medicine, covering both male and female infertility.

Other ongoing significant assignments: -

INGELA LILJEQVIST SOLTIC

Education and experience: Dr. Ingela Liljeqvist Soltic is currently working as an embryologist and unit manager for the laboratory and tissue establishment at the Reproductive Medicine Center (RMC) at Skåne University Hospital. Ingela holds a BSc in Biomedical Laboratory Technology from Lund University and a PhD in Biomedical Science. She has previously worked as an embryologist at the IVF Clinic Cura Öresund and at the pharmaceutical company Merck. Ingela has extensive experience in IVF and fertility issues.

Other ongoing significant assignments: -

KUSHAGR PUNYANI

Education and experience: Kushagr Punyani is the founder of the Company and served as a CSO consultant for the company until March 2024. Kushagr holds a Licentiate degree in Engineering, specializing in microfluidic technology, from Lund University. From his studies in India, together with Professor Sudha Srivastava, Kushagr laid the foundation for the Company's technology. He has also co-founded several companies developing new technologies in the medtech/ pharmaceutical sectors.

Other ongoing significant assignments: Board member of Prolevi Bio AB and Diagonal Bio AB. Board member and CEO of Nested Bio AB.

SØREN MELSING FREDERIKSEN

Education and experience: Søren Melsing Frederiksen currently holds the position of CEO at Exocure Sweden AB. Søren has a B.Sc. in Applied Science and a Master's degree in Pharmaceutical Development. He was previously VP of Commercial & Product Development at Orifarm; VP of Sales & Marketing at Galenica AB; Head of Commercial at Aspen Nordic, and prior to that, he held several positions at LEO Pharma. Søren has extensive experience in product development, marketing, sales, and the entire value chain in the pharmaceutical industry.

Other ongoing significant assignments: Board member of VBM Ejendomsselskabet af 2007 Aps and StenoCare A/S. Board member and CEO of SML Holding ApS.

MANAGEMENT

The Company's management, as well as its key executives, consist of three individuals: the CEO, CFO, and the CTO. The table below presents the key executives, their positions, and their holdings of shares and subscription warrants in the Company.

Name	Postion	Year of birth	Holdings (shares)	Holdings (warrants)
Tore Duvold	CEO	1968		
Ulrik Nilsson	CFO	1970	25 400 006	TO 3: 14 371 432 TO 4: 14 371 432
Maria Liljander	CSO	1970		

TORE DUVOLD

CEO since May 2024

Education and experience: Tore Duvold holds a PhD in bioorganic chemistry from Université Louis Pasteur, France. He is an experienced biotech entrepreneur and pharma executive with expertise in drug discovery, clinical development, CMC, regulatory affairs, business development and financing. His leadership spans multiple therapeutic areas, including inflammation, oncology, dermatology and cardiovascular disease. He has successfully launched companies, secured financing, and advanced drug candidates through clinical phases. Previously, Tore has held key positions including SVP and head of research, early development and patent at LEO Pharma, CEO and co-founder of Aker Biopharma, CEO of Coegin Pharma, CEO of Edvince and EVP and later CEO of Innovation Fund Denmark. He is also associated partner at Copenhagen Institute for Futures Studies.

Other ongoing significant assignments: CEO in Roto Health ApS.

ULRIK NILSSON

CFO since September 2021

Education and experience: Ulrik has more than 20 years of experience in senior positions within finance at multinational global medical technology companies, such as Gambro and Baxter International Inc., and has worked with all aspects of the business. In addition to finance, Ulrik has been responsible for Investor Relations, IT, and HR in previous roles.

Other ongoing significant assignments: -

MARIA LILJANDER

CSO since May 2024

Education and Experience: Maria Liljander holds a PhD in Reproductive Immunology from Lund University, Sweden. With over 20 years of experience at Lund University and Region Skåne, her research has primarily focused on complex genetics and immunology, particularly in relation to reproductive success and autoimmune diseases. Maria has more than 20 years of experience as a leader and researcher in several key roles at Region Skåne, Biobank Sweden, and the Lund Transgenic Core Facility. Throughout her career, she has fostered strong collaborations within academia and healthcare.

Other ongoing significant assignments: -

OTHER INFORMATION ABOUT BOARD MEMBERS AND SENIOR EXECUTIVES

There are no relationships, family ties, or other close relationships between the Company's board members and key executives. No board member or key executive has been convicted in any fraud-related case in the past five years. Nor is there any accusation and/or sanction issued by an authority or professional association against any of these individuals in the past five years. None of them have been prohibited by a court from serving as a member of a Company's management, leadership, or control body, or from holding senior or executive functions within a Company in the past five years. No board member or key executive has represented a company in bankruptcy or liquidation within the past five years. There is no potential conflict of interest for any of the board members or key executives, and thus no board member or key executive has any private interest that could conflict with the Company's interests. The fact that some of the board members and key executives have financial interests in the Company through shareholdings or other securities is stated above. None of the aforementioned board members or key executives have entered into agreements with the Company regarding benefits after the end of their assignment, beyond what is otherwise stated in this Memorandum.

AUDITOR

At the Company's Annual General Meeting on May 10, 2024, it was decided to reappoint MAZARS AB. The authorized auditor Andreas Brodström is the lead auditor.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE WITHIN SPERMOSENS

Corporate governance at Spermosens is based on the Swedish Companies Act, the Annual Accounts Act, Spotlight's regulatory framework, and other relevant laws and regulations. The board has established rules of procedure for its work, including instructions regarding the division of responsibilities between the board and the CEO, which outlines the CEO's duties and reporting obligations. The application of the Corporate Governance Code has been extended to apply to all companies whose shares are admitted to trading on a regulated market in Sweden. Since Spotlight is not a regulated market, the Company is not required to follow the code. However, the Company continuously monitors developments in this area and intends to follow those parts of the code that are considered relevant.

GENERAL MEETING

GENERAL

According to the Swedish Companies Act (2005:551), the general meeting is the Company's highest decision-making body. At the general meeting, shareholders exercise their voting rights on key issues, including the approval of the income statement and balance sheet, the allocation of the Company's profits, the discharge of liability for the board members and the CEO, the election of board members and auditors, and the remuneration for the board and auditors.

RIGHT TO PARTICIPATE IN THE GENERAL MEETING

Shareholders who wish to participate in a general meeting must be registered in the share register maintained by Euroclear Sweden and notify the Company of their participation no later than the time and date specified in the notice of the meeting. Shareholders may attend the general meeting in person or through an authorized representative. Shareholders or representatives may also be accompanied by up to two assistants. It is usually possible for shareholders to register for the general meeting in several ways, as specified in the notice. Shareholders are entitled to vote for all shares they hold in the Company.

SHAREHOLDER'S INITIATIVE-RIGHT

Shareholders who wish to have a matter addressed at the general meeting must submit a written request to the board. Such a request must typically reach the board no later than seven weeks before the general meeting.

WORKING PROCEDURES OF THE BOARD AND THE CEO

GENERAL

The Board of Directors is the Company's second highest decision-making body after the general meeting. According to the Swedish Companies Act, the board is responsible for the Company's management and organization, which includes being responsible for, among other things, setting goals and strategies, ensuring procedures and systems are in place to evaluate the established goals, continuously assessing the Company's performance and financial position, and evaluating the operational management. The board is also responsible for ensuring that the annual report and interim reports are prepared in a timely manner. Additionally, the board appoints the CEO.

LEGAL MATTERS, OWNERSHIP STRUCTURE, AND ADDITIONAL INFORMATION

SHARES AND SHARE CAPITAL

As of the balance sheet date on 30 September 2024, the Company's share capital amounted to SEK 28,360,712 distributed over 283,607,120 outstanding shares. All of these shares have been issued in accordance with the provisions of the Swedish Companies Act (2005:551), fully paid, and freely transferable. Each share has a nominal value of SEK 0.10.

At the extraordinary general meeting on 4 November 2024, it was decided to reduce the Company's share capital by SEK 27,793,497.76, which is carried out without the cancellation of shares. Consequently, the new quota value will be SEK 0.002.

According to the Company's articles of association, the share capital shall not be less than SEK 18,500,000 and not more than SEK 74,000,000, and the number of shares shall not be fewer than 185,000,000 and not more than 740,000,000. In connection with the Company's decision regarding the Offer, the Company also plans to amend the limits in the articles of association so that the increase in share capital resulting from the Offer will be within the provisions of the articles of association.

Current wording:

§ 4 Share capital
The share capital shall be no less than SEK 18,500,000 and no more than SEK 74,000,000.

§ 5 Number of shares
The number of shares shall be no fewer than 185,000,000 and no more than 740,000,000.

Proposed wording - Step 1

According to this proposal, the registered share capital is reduced and thus also the quota value of the shares, in order to enable the Rights issue.

Proposed wording:

§ 4 Share capital
The share capital shall be no less than SEK 560,000 and no more than SEK 2,240,000.

§ 5 Number of shares
The number of shares shall be no fewer than 280,000,000 and no more than 1,120,000,000.

Proposed wording step 2

According to this proposal, the Board of Directors is authorized to file one of four alternatives below that fits the outcome of the Rights issue best.

Alternative (i)

In the event of a very limited outcome of the issue, the current provisions on share capital and number of shares remain unchanged. The Board of Directors does not notify the Swedish Companies Registration Office.

Alternative (ii)

Proposed wording:

§ 4 Share capital
The share capital shall be no less than SEK 1,000,000 and no more than SEK 4,000,000.

§ 5 Number of shares
The number of shares shall be no fewer than 500,000,000 and no more than 2,000,000,000.

Alternative (iii)

Proposed wording:

§ 4 Share capital
The share capital shall be no less than SEK 2,000,000 and no more than SEK 8,000,000.

§ 5 Number of shares
The number of shares shall be no fewer than 1,000,000,000 and no more than 4,000,000,000.

Alternative (iv)

Proposed wording:

§ 4 Share capital
The share capital shall be no less than SEK 3,000,000 and no more than SEK 12,000,000.

§ 5 Number of shares
The number of shares shall be no fewer than 1,500,000,000 and no more than 6,000,000,000.

The Company's share capital may also change in the future as a result of the active warrants programs described below.

MATERIAL AGREEMENTS

Spermosens has not entered into, with the exception of agreements made in the ordinary course of business, any agreement of material significance in which the Company is still a party during the two years immediately preceding the publication of this Memorandum.

REGULATORY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION PROCEEDINGS

The Company has not been involved in any government proceedings, legal proceedings, or arbitration in the past twelve months that have had or are expected to have a significant impact on the Company's financial position or profitability.

CONFLICTS OF INTEREST

There are no conflicts of interest or potential conflicts of interest between the board members' and key executives' commitments to Spermosens and their private interests and/or other commitments. However, several board members and key executives do have certain financial interests in Spermosens due to their direct or indirect ownership of shares in the Company. No board member or key executive has been appointed as a result of any arrangement or agreement with shareholders, customers, suppliers, or other parties. No board member or key executive has entered into a lock-up agreement or undertaken any other restrictions on selling shares in the Company.

RELATED PARTY TRANSACTIONS

Below are transactions with related parties that occurred during 2023 and thereafter up to the date of the Memorandum, all of which were conducted on market terms.

In 2023, Ulrik Nilsson lent SEK 3 million to the Company as part of loan financing. The entire amount plus interest has been repaid, of which SEK 2.3 million was converted into shares as part of the rights issue in April 2024. In 2024, up to the date of the Memorandum, Kushagr Punyani invoiced a total of SEK 301 thousand for the period from January to September 2024 as consulting fees for the role of CSO.

WARRANTS, CONVERTIBLES, ETC.

Other convertibles, subscription warrants, and other share-related instruments

In accordance with the Memorandum ahead of listing on Spotlight Stock Market, the Company entered into a contract with Gemstone Capital A/S ("Gemstone"), which granted Gemstone the right to receive 156,500 subscription warrants as partial compensation for financial services. This right is contract-based. The subscription warrants give Gemstone the ability to acquire shares in the Company at any time within five (5) years from the first day of listing. The exercise price for subscribing to the shares is set at the lower of the share price during the listing issuance or any future new share issuance by the Company. As of the balance sheet date on September 30 2024, Gemstone holds 78,251 subscription warrants.

Warrants of series TO 3

In connection with the rights issue that was announced on 20 February 2024 and whose subscription period ended on 17 April 2024, the Company issued 138,521,968 warrants of series TO3. Each warrant entitles the holder to subscribe for one (1) share in the Company at a subscription price of SEK 0.13. The warrants may be exercised to subscribe for shares in the Company from and including 17 February 2025 to and including 3 March 2025. Upon full exercise of the warrants, the Company's share capital will increase by SEK 277,043.936 and the dilution for existing shareholders will amount to approximately 32.8 percent (calculated based on the total number of shares in the Company at the date of the Memorandum). The warrants are subject to customary adjustment terms in connection with issues, etc.

Warrants of series TO 4

In connection with the rights issue that was announced on 20 February 2024 and whose subscription period ended on 17 April 2024, the Company issued 138,521,968 warrants of series TO4. Each warrant entitles the holder to subscribe for one (1) share in the Company at a subscription price of SEK 0.15. The warrants may be exercised to subscribe for shares in the Company from and including 17 November 2025 to and including 1 December 2025. Upon full exercise of the warrants, the Company's share capital will increase by SEK 277,043.936 and the dilution for existing shareholders will amount to approximately 24.7 percent (calculated based on the total number of shares in the Company at the date of the Memorandum). The warrants are subject to customary adjustment terms in connection with issues, etc.

OWNERSHIP STRUCTURE AND MAJOR SHAREHOLDERS

As far as the Company's board is aware, there are no shareholder agreements or other arrangements between the Company's owners aimed at joint control over the Company, or that could lead to a change or prevention of control over the Company. To the board's knowledge, there are also no transfer restrictions for a certain period (so-called lock-up agreements) for board members or key executives. The Company has not taken any specific measures to ensure that control over the Company is not misused, and there are no provisions in the Company's articles of association that could delay, defer, or prevent a change of control in the Company. However, the protections for minority shareholders in the Swedish Companies Act (2005:551) provide a safeguard against potential abuse of control by a majority shareholder.

MAJOR SHAREHOLDERS

The table below shows, to the Company's knowledge, the 10 largest shareholders and their percentage of share and voting rights in the Company as of 30 September 2024, including known changes thereafter up to the date of the Memorandum. The Company is not directly or indirectly controlled by any single shareholder, nor by multiple shareholders acting together in agreement. The Company has issued one class of shares, and all shares have equal voting rights.

Shareholder	Number of shares	Share of shares and votes (%)
Avanza Pension	35,007,203	12.34%
Ulrik Nillson	25,400,006	8.96%
Nordnet Pensionsförsäkring	18,144,328	6.40%
Jonas Winberg	9,999,997	3.53%
Michael Kantor	8,734,881	3.08%
Rune Löderup	8,467,101	2.99%
Henrik Ruö Jensen	7,803,447	2.75%
Jony Demir	6,825,486	2.41%
Peter Nilsson	5,000,002	1.76%
Michael Skovgaard Larsen	3,925,320	1.38%
Others (around 3,697 in number)	154,299,349	54.40%
Total	**283,607,120**	**100.0%**

The Company has not acquired any of its own shares.

RIGHT TO VOTE

The Company has issued a single class of shares, with each share carrying one vote. Shareholders are entitled to vote for all the shares they hold in the Company.

ADVISER'S INTERESTS

Eminova Partners is the financial advisor and Eminova Fondkommission is the issue agent in connection with the Rights Issue. For services rendered in connection with the Rights Issue, Eminova Partners receives variable compensation proportionate to the subscription rate in the Offer. Beyond this, Eminova Partners has no financial or other interests in the Rights Issue. Other than the above parties' interest in the successful completion of the Rights Issue, there are no other financial or conflicting interests between the parties that have financial or other interests in the Rights Issue as stated above. Eminova Partners has also assisted the Company in preparing the Memorandum. As all information in the Memorandum originates from the Company, Eminova Partners disclaim all liability in relation to existing or prospective shareholders in Spermosens and with regard to any other direct or indirect financial consequences resulting from investment or other decisions based in whole or in part on information in the Memorandum.

RISK FACTORS

Before making an investment decision, it is important to carefully analyze the risk factors that are deemed to be of importance to the Company. The assessment of materiality of each risk factor is based on the probability of its occurrence and the expected magnitude of its adverse effects. Assessment is made using a qualitative scale with the designations low, medium, or high. The risk factors listed below are limited to such risks that are specific to the Company and/or the securities and which are essential for a well-founded investment decision. The statement below is based on information available at the date of this Information Memorandum. The risk factors that are currently deemed most significant are presented first in each category, while the risk factors thereafter are presented without any particular ranking. While the risks mentioned are listed and explained to the best of the Company's ability, it should be emphasized that the description is not necessarily complete or exhaustive and that other risks may occur or materialize.

RISKS RELATED TO THE COMPANY'S OPERATIONS

CLINICAL TRIALS, REGULATORY APPROVALS, AND PERMITS

The Company's business involves the development of medical devices, with the commercialization of these products occurring through partners and license agreements according to the revised strategy. While the Company itself will not be responsible for registering and marketing its products, its partners will need to complete the necessary regulatory processes, which may include technical development, clinical trials, registration, approval, marketing, manufacturing, and distribution of the devices. If the Company's partners fail to meet regulatory requirements or experience delays in these processes, it may lead to the need for additional clinical studies, product recalls, or the denial of registration. These challenges could also affect the timeline for the Company's products to reach the market. Additionally, the increased regulatory demands within different territories for medical devices have placed a greater burden on accredited certification bodies, potentially affecting the timeline for obtaining registration or other necessary approvals through partners. If the Company's partners are unable to secure the necessary registrations and approvals, the Company may be negatively impacted in terms of reduced or lost revenue. Furthermore, future changes in regulations or their interpretation could affect the ability of the Company's partners to meet various authority requirements. Approvals and registrations can also be revoked after being granted. These risks could have a negative impact on the Company's operations, financial position, and results.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **High**

CLINICAL STUDIES AND VALIDATIONS

The medical technology industry in general, and clinical studies (where the product is tested on humans) in particular, are associated with significant uncertainty and risks regarding delays and outcomes in the studies.

The results from clinical studies do not always meet the expected outcomes achieved in a laboratory setting. Therefore, there is a risk that the planned studies will not demonstrate sufficient safety and efficacy for the product to be launched. Clinical studies are associated with significant uncertainty and risks regarding timelines and study outcomes. The Company may also need to conduct more extensive studies than the board currently anticipates, which could lead to increased costs or delayed revenues. Furthermore, there is a risk that the Company may not be able to maintain the clinical and regulatory quality required for potential future licensing, sales, or approval from authorities. This could result in delays with the Company's clinical studies, and consequently, a delayed or missed commercialization, as well as reduced or lost cash flow.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

DEVELOPMENT COSTS

The Company will continue to both further develop and create new products within its business area. The technology in the Company's product is novel and has no equivalents on the market. Although the Company has a clear understanding of the remaining work needed to complete a commercial product, the outcome of the remaining development work is difficult to predict due to the novelty of the technology. Since there is no other experience in this area, it is difficult to know how active components and mechanisms in the product's key functions will perform and interact in the applied environment. Unforeseen effects and demands from customers/users may arise that need to be analyzed, evaluated, and possibly addressed. It may therefore become necessary to carry out additional development work beyond what the Company can currently foresee. As a result, the time and cost aspects of product development are difficult to determine with precision in advance, leading to a risk that planned product development may become more expensive than anticipated. If this risk occurs, it could negatively affect the Company's operations, financial position, and results.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

INTELLECTUAL PROPERTY

The Company's intellectual property rights are protected through patents, patent applications, agreements, and legislation safeguarding trade secrets. Infringement of the Company's intellectual property rights may harm the Company's business. Furthermore, patent protection for medical technology companies can be uncertain and involve complex legal and technical issues. There is a risk that patents may not be granted for the inventions under patent application, and that granted patents may not provide sufficient patent protection. Moreover, not all developments and technologies

can be patented. The Company's development and potential success partly depend on its ability to obtain and maintain patent protection, but there is also a risk that granted patents will not provide effective commercial protection, as objections or other invalidity claims may be made against issued patents after they have been granted. A risk in such processes is that granted patents may be restricted, for example by limiting the scope of application, or that the patent may be revoked. If a patent is revoked, no exclusive rights are granted, which means that other parties cannot be prevented from exploiting the defined invention. This could allow the Company's competitors to use the technology. The outcome of an opposition process may be appealed, making the final result of an opposition difficult to predict. There is also a risk that the scope of an approved patent may not be comprehensive enough to prevent other actors from developing similar products, which could lead to increased market competition.

Assessed likelihood of the risk occurring: **Low**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **High**

KEY PERSONNEL AND EMPLOYEES

The Company is dependent on the knowledge, experience, and commitment of its key personnel. The key personnel possess internal expertise and have extensive experience in the development of electrochemistry, biochemistry, and their application in fertility diagnostics. The Company has two employees and four individuals closely tied to the Company's operations on a consultancy basis, making a total of six people. If the Company is unable to retain these key personnel in the future, or fails to recruit new qualified employees to the extent and on the terms needed, this could lead to the Company's strategy and development goals not being achieved, which could negatively impact the Company's growth and long-term profitability.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

COMMERCIALIZATION RISK

The Company has not yet developed a finished product and, as a result, has not initiated sales of a commercial product. The Company's sales potential and future prospects may therefore be difficult to evaluate. There are no guarantees that the Company will succeed in completing the development of its product or that its partners will obtain the necessary approvals to introduce the product to the market. The Company has not yet sold any finished products, nor has it signed agreements for future sales. However, letters of intent for research use only (RUO) sales have been signed with selected customers. There are no guarantees that the customers in the target market identified by the Company will purchase products from its partners. Furthermore, the Company intends to commercialize through partners and license agreements, relying on these partners to manage regulatory approval, distribution, and sales. The Company's ability to secure and maintain partnerships with distributors and licensees within the IVF industry is critical for commercialization. There are no guarantees that the Company will be able to contract with suitable partners in all desired markets. The Company has ambitious growth targets but has not yet delivered any finished products to end customers. As the Company moves towards commercialization through its partners, the demand for operational planning and support will increase. It is uncertain whether the Company's operations will develop at the necessary pace to support these efforts. Therefore, there is a risk that commercialization through partners and license agreements will take longer than expected or may not occur at all, which could have a significantly negative impact on the Company's profitability and financial position.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **High**

COLLABORATIVE PARTNERS

The Company is dependent on collaborations with suppliers and manufacturers and has, among other things, entered into agreements with suppliers that provide the manufacturing of cassettes and instruments. Furthermore, the Company is, to some extent, dependent on cooperation with hospitals and health institutions for the conduct of clinical studies, as well as for their recommendation or provision of the Company's products to end consumers. There is a risk that current or future suppliers, manufacturers, and collaborative partners may choose to terminate their cooperation with the Company before the Company has fully benefited from the collaboration, may not fulfill their obligations, or may be unable to continue the partnership on terms favorable to the Company. There is no guarantee that the Company's suppliers, manufacturers, or collaborative partners will fully meet the quality requirements set by the Company or relevant authorities. Additionally, there is a risk that the Company may not be able to enter into collaborations at all or may not succeed in forming partnerships on terms favorable to the Company when needed. Should any of the above risks occur, the Company assesses that it could have a negative impact on the Company's operations in the form of delayed or failed commercialization, additional costs for the Company, and potentially limited or lost revenue.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

COMPETITORS

The medical technology industry is characterized by high global competition, rapid technological advancements, and significant investment needs. The Company's competitors may include both large multinational corporations and smaller research companies engaged in the development of medical technology products. Furthermore, companies with global operations currently working in related fields may decide to enter the Company's business area. The Company holds patent protection until August 2039, which limits the possibility of direct competition. The Company's competitiveness depends on various factors, such as its ability to execute its strategies profitably, recruit and retain skilled and professional personnel, and develop partnerships with future relevant collaborators. If the Company fails to adapt to technological advancements or regulatory expectations, there is a risk that the future commercialization of the Com-

pany's products may be less successful or not happen at all. Moreover, there is a risk that competitors may have greater financial and other resources than the Company, giving them advantages in areas such as product development, regulatory contacts, marketing, and product launch. There is a risk that competitors may develop products that are more efficient and cost-effective than the Company's potential products. Such competing products may limit the Company's ability to commercialize its products and, consequently, generate future revenue.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

POLITICAL RISK

The Company intends to operate in and through a large number of countries. Risks may arise from changes in laws, taxes, tariffs, exchange rates, and other conditions affecting foreign companies that influence international trade. The Company is also affected by political and economic uncertainties in these countries. Additionally, the Company may be negatively impacted by any domestic political decisions. This may involve changes in laws regulating the use of assisted reproductive technology such as IVF treatments. Political decisions can alter the conditions for both publicly funded IVF treatments and decisions to close IVF clinics. The above may have a negative impact on the Company's operations, financial position, and results.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

MARKET GROWTH

The Company plans to initiate sales and expand over the coming years. Establishing operations in different countries and regions may involve problems and risks that are difficult to foresee. Furthermore, expansions may be delayed, leading to lost revenue. Rapid growth may also result in the Company acquiring other businesses. A lack of synergy effects and less successful integration efforts may negatively impact both the Company's operations and its results. The above may have a negative impact on the Company's operations, financial position, and results.

Assessed likelihood of the risk occurring: **Low**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

SECRECY

The Company is dependent on being able to protect trade secrets that are not covered by patents or other intellectual property rights, including information about inventions that have not yet been patented. Although the Company's officials and partners are typically bound by confidentiality agreements, there is a risk that someone with access to the trade secrets may disclose or use the information in a way that could harm the Company, which in turn could negatively impact the Company's operations, financial position, and results.

Assessed likelihood of the risk occurring: **Low**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

PRODUCT LIABILITY AND INSURANCE COVERAGE

Since the Company is engaged in the development of medical devices, it is exposed to risks associated with product liability. Deficiencies in the quality and/or design of the Company's delivered products and/or manuals/instructions/guidelines, which lead to injury to people or damage to property, either directly or as a result of alleged incorrect diagnoses, may result in claims for damages being made against the Company. There is a risk that the Company's insurance does not cover potential claims for damages in the event of injuries caused by the Company's products, for example, if a product liability claim exceeds the insurance coverage or if the claim surpasses the insured amount, or that the Company is unable to obtain or maintain such insurance coverage on terms acceptable to the Company, which could result in significant costs and negatively impact the Company and its operations, both in terms of reputation and finances.

The above may have a negative impact on the Company's operations, financial position, and results.

Assessed likelihood of the risk occurring: **Low**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **High**

FINANCIAL RISKS

FUTURE FINANCING

The Company's planned development work, including validation of its technology and securing the necessary regulatory approvals, involves significant costs. However, the revised strategy intends to establish partnerships that generate revenue through upfront payments, milestones and royalties, with the goal of reducing or eliminating the need for external financing. Despite this approach, there is still a risk that development work could become more time- and cost-intensive than anticipated. While the revised strategy aims to generate revenue through partnerships, there are no guarantees that such agreements will be secured in a timely manner or on favorable terms. Until significant agreements are in place, the Company's cash flow may remain negative.

The Company's future financing needs are closely tied to its ability to establish partnerships and generate revenue from these collaborations. A key risk remains that if partnerships do not materialize as planned or fail to generate expected payments, the Company may still face financial shortfalls. The board and management are actively monitoring financial risks to take appropriate measures as needed.

While the revised strategy reduces reliance on direct sales of finished products, medical device development remains a resource-intensive and time-consuming process, requiring ongoing research and development, including clinical trials and regulatory approvals. The Company's ability to generate ongoing cash flow from partnerships and royalty agreements depends on its success in these areas. If the Company is unable to secure sufficient revenue from upfront payments, milestones, or royalties, or if partnership timelines are extended, it may be forced to raise additional capital.

The availability of additional financing, if required, will depend on various factors such as market conditions, the general availability of credit, and the Company's financial position. Should the Company need to raise capital, disruptions in the capital and credit markets could limit access, and raising funds through equity issuance could result in dilution for shareholders.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **High**

RISKS ASSOCIATED WITH THE COMPANY'S SECURITIES

LACK OF LIQUIDITY IN THE COMPANY'S SHARES AND SHARE-RELATED SECURITIES

The shares in the Company are traded on Spotlight. An investor cannot assume that the liquidity in the shares and any future listed warrants will be satisfactory, which means there is a risk that these securities may not be traded daily, and the spread between the buy and sell prices may be significant. If liquidity is limited, this may create difficulties for holders of these securities to adjust their holdings.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Medium**

SHARE PRICE DEVELOPMENT

Current and potential investors should consider that an investment in the Company is associated with risk and that it cannot be predicted whether the share price will have a positive development. This entails a risk that an investor may lose all or part of their invested capital.

The share price may fluctuate due to variations in the Company's quarterly report results, the general economic conditions, and changes in the stock market's interest in the Company and its shares. Historically, the price at which the Company's shares have been traded has been volatile. Consequently, the share price of the Company has been volatile, and from time to time, the shares have also been subject to limited trading with low daily turnover. It is not possible to predict future price movements in advance, and the above factors, individually or in combination, may negatively impact the value of an investor's invested capital. Limited liquidity (see above under the heading "Lack of liquidity in the Company's shares and share-related securities") in the stock may, in turn, contribute to amplifying such fluctuations in the share price. The share price may thus be affected by factors that are entirely or partially outside the Company's control.

The risk of the share's volatility is significant for investors since the value of the subscribed shares can change. The risk pertains to both the initial subscription of units and the subsequent subscription of shares with the warrants of series TO 5 and TO 6. The outcome of the subscription of units may vary between 0 to 100 percent of the issuance volume. The subscription of shares supported by warrants in series TO 5 and TO 6 may vary between 0 to 100 percent.

An investment in shares should therefore be preceded by a careful analysis of the Company, its competitors, the environment, general information about the industry, the general economic situation, and other relevant information. There is a risk that shares in the Company cannot be sold at a price that is acceptable to the shareholder at any given time.

Companies whose shares are traded on Spotlight are not subject to all the legal regulations applicable to companies listed on a regulated market. Spotlight has chosen to apply most of these legal regulations through its regulatory framework.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **High**

DILUTION FROM FUTURE SHARE ISSUES

The Company may, in the future, need to conduct new share issues and share-related instruments to secure capital for continued operations and expansion.

Such new issues may lead to dilution, reducing the relative ownership and voting share of existing shareholders, as well as the earnings per share for those shareholders in the Company who do not participate in upcoming new issues. Furthermore, any future new issues may have a negative effect on the development of the share price.

Assessed likelihood of the risk occurring: **Medium**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **High**

THE SIZE OF ANY FUTURE DIVIDENDS TO SHAREHOLDERS IS UNCERTAIN

The Company has not yet paid any dividends to shareholders. The Company is in an expansion phase, and any surplus is primarily planned to be invested in the Company's development. As a result, there is a risk that distributable funds may not be available during any individual financial year. If no dividends are paid in the foreseeable future, an investor's return will depend solely on the future development of the share price.

Assessed likelihood of the risk occurring: **High**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Low**

MARKETPLACE

The Company's shares are listed for trading on Spotlight. Spotlight is a securities company under the supervision of the Financial Supervisory Authority. Spotlight operates a trading platform (MTF). Spotlight has its own regulatory system, which is adapted for smaller companies and growth companies.

Securities listed on Spotlight are therefore not subject to as comprehensive regulations as those traded on a regulated market. Due to differences in the scope of these regulations, an investment in securities traded on Spotlight may be riskier than an investment in securities traded on a regulated market.

Assessed likelihood of the risk occurring: **Low**

Assessed negative impact on the Company's operations, financial position, and results if the risk occurs: **Low**

AVAILABLE DOCUMENTS

The following documents are available in electronic form on the Company's website, www.spermosens.com, during the validity period of the Memorandum. Copies of the documents are also available during the Memorandum's validity period at Spermosens' headquarters, Scheeletorget 1, 223 81 Lund.

- The Company’s registration certificate
- The Company’s Article of Association
- Terms and conditions for warrants of series TO5 in Spermosens AB (publ)
- Terms and conditions for warrants of series TO6 in Spermosens AB (publ)