

# **Q&A regarding the proposed partially underwritten rights issue in BerGenBio ASA**

As previously announced BerGenBio is seeking funding to further advance the company's main program, bemcentinib, for the treatment of non-small cell lung cancer ("NSCLC"), severe respiratory infections and general corporate purposes. Based on thorough soundings in collaboration with financial advisors the board of BerGenBio has concluded that a rights issue with preferential subscription rights for existing shareholders is the best option to secure sufficient funds. If the rights issue is fully subscribed, the company's activities are financed into Q4 2024. If the rights issue is carried out to the minimum guaranteed amount of NOK 175 million, the company's activities are financed until the end of the first half of 2024.

## **About the proposed partially underwritten rights issue**

### **1. What is a rights issue?**

Roughly speaking, a company can raise new equity by issuance of new shares in two ways; through a private placement or a rights issue. In the case of a private placement, certain identified investors, who may be new investors or existing shareholders, will subscribe for new shares in the company. In a rights issue, it is the existing share owners who get preferential rights to subscribe for new shares.

BerGenBio is carrying out a rights issue with subscription rights to existing shareholders, where parts of the issue amount are guaranteed. These subscription rights will be registered to the individual shareholder's VPS-account (Norwegian Central Securities Depository), as described below, and can be used to subscribe for new shares in the rights issue or disposed of. To the extent that existing shareholders do not use their subscription rights, new shareholders will also be able to subscribe for shares in the issue.

### **2. What is a partially underwritten rights issue?**

When the rights issue is partially underwritten, it means that certain existing shareholders and external underwriters have entered into an agreement to guarantee a certain proportion of the fundraising to ensure that the company receive the minimum subscription amount. In this rights issue in BerGenBio, the maximum gross proceeds raised will be NOK 250 million, of which NOK 175 million is guaranteed, pro rata, by certain existing shareholders and new investors. New investors who have guaranteed part of the rights issue, do not have subscription rights and will therefore only be allocated shares in accordance with the guaranteed amount in the event that the existing shareholders, in aggregate, subscribe for less than NOK 175 million in the rights issue.

### **3. What is the price of the shares in the rights issue?**

The subscription price for the new shares to be issued in the rights issue will be proposed by the board the day before the annual general meeting (AGM), based on a recommendation from the managers. The board of directors' resolution in this respect will be announced through a stock exchange announcement on the day prior to the AGM and be reflected in the final proposed resolution to the AGM. According to the agreement with the underwriters in the rights issue, the subscription price shall be the theoretical ex-rights price (TERP) based on the volume-weighted average price (VWAP) of the company's shares on the Oslo Stock Exchange the three trading days

prior to the AGM, less a discount of at least 37,5 %.

**4. How can I subscribe for shares in the rights issue?**

Assuming that the AGM approves the proposal to carry out the rights issue on May 22 May 2023, and a prospectus is approved by the Norwegian Financial Supervisory Authority (expected 26 May 2023), you will be able to subscribe for new shares in the rights issue from, and including, the start of the subscription period (expected to start 30 May 2023) electronically at [www.bergenbio.com](http://www.bergenbio.com), [www.carnegie.no/ongoing-prospectuses-and-offerings/](http://www.carnegie.no/ongoing-prospectuses-and-offerings/), [www.arctic.com/secno/en/offering](http://www.arctic.com/secno/en/offering)s or by mail.

**5. How many new shares can I subscribe for in the rights issue?**

The number of shares in the company that you can subscribe for in the rights issue is, as a starting point, determined by how many shares you own in the company, but oversubscription and subscription without subscription rights will also be permitted. The company's shareholders will be allocated subscription rights, which will give a right to subscribe for new shares in the company, in proportion to the number of shares they own in the company at the AGM on 22 May 2023 (visible in VPS 24 May 2023). Given that the purchase of shares is done with normal T+2 settlement, shares purchased up to and including 22 May 2023 will give the right to be allocated subscription rights for new shares in the rights issue. Shares bought from, and including, 23 May 2023, will thus not give the right to be allocated such subscription rights.

**6. When is the rights issue carried out?**

The period during which the rights issue is carried out is called the subscription period. Assuming that the prospectus the company will submit for the rights issue is approved by the Norwegian Financial Supervisory Authority in time, the subscription period for the rights issue will start on 30 May 2023 and expire on 13 June 2023 at 4:30 pm (Oslo time). If the prospectus is not approved in time to maintain this subscription period, it will start on the second trading day on Oslo Stock Exchange after approval and expire at 4:30 pm (Oslo time) two weeks thereafter.

**7. Can I subscribe for more or fewer shares than I have subscription rights to?**

Yes. As the subscription right normally has a financial value, you should consider selling the subscription rights you do not use yourself. The subscription rights will be negotiable and listed on the Oslo Stock Exchange from and including the first day of the subscription period until 4:30 pm (Oslo time) four trading days before the end of the subscription period. You are only guaranteed to be allocated the number of shares that correspond to the number of subscription rights you have, and use. If you want additional subscription rights than you will be allocated based on the shares you are registered with at the Norwegian Central Securities Depository at the time of the ordinary general assembly, 22 May 2023 (visible in VPS 24 May), these must be purchased on the Oslo Stock Exchange. You can do this through your ordinary solution for buying and selling shares.

**8. What criteria will be the basis for the allocation of shares?**

Allocation will be made based on allocated and acquired subscription rights that have been used to subscribe for shares within the subscription deadline. If not all subscription rights are used, subscribers who have used their subscription rights and who have oversubscribed will be allocated additional new shares on a pro rata basis based on the number subscription rights exercised by each subscriber. New shares

that are not allocated after this, will be allocated to subscribers without subscription rights. If, after this, the total amount subscribed for is less than NOK 175 million, new shares will be allocated and subscribed by the underwriters in accordance with the underwriting obligation.

**9. How do I find out how many shares I will be allocated?**

Award letters will be sent out by post on or about 14 June. You can also find your allocation in the VPS investor services via your online bank or online broker on or about 14 June.

**10. How do I pay for the new shares?**

The person who subscribes for new shares in the rights issue gives an irrevocable one-time authorization to withdraw the amount from a specified bank account. The amount will be withdrawn from the account on or about 16 June given that the subscription period ends 13 June 2023. As a subscriber, you are responsible for ensuring that there are sufficient funds in the specified bank account on the date of settlement.

**11. Can I withdraw or change my subscription after it has been submitted?**

No. The subscription is binding.

**12. Is the share price in the rights issue the same for all participating shareholders?**

Yes. The share price is the same for everyone who subscribes for shares and is determined the day before the ordinary general assembly 22 May 2023. The underwriters will receive an underwriting fee of 12 % of its respective underwriting amount, which must be settled in cash, new shares or a combination, at the underwriter's choice. The underwriting fee is a payment that the underwriters receive for assuming risk by underwriting the subscription of new shares. The size of the underwriting fee has been negotiated by the company in collaboration with the managers and is in line with the fee awarded in comparable transactions.

**13. What is the difference between a subscription right and a warrant?**

A subscription right gives you the right to subscribe for new shares in the rights issue and is awarded to shareholders per 22 May 2023 (visible in VPS 24 May 2023). You will receive warrants due to your participation in the rights issue, which will give you the right to subscribe and be allocated new shares at a specific price for a specific period of time. All subscribers who are allocated and pay for shares in the rights issue, including the underwriters, will receive one warrant for every two shares they are allocated and have paid for in the rights issue. Each warrant will give the right to subscribe for one new share in the company.

**14. When can I exercise the warrants to subscribe for new shares in the company?**

The warrants can be exercised in two periods: 1) during the first 14 days after the company's announcement of its Q3 2023 quarterly financial report and 2) from 1 April 2024 to 14 April 2024. Other terms and conditions for the warrants will be determined by the AGM held on 22 May 2023.

**15. What is the price of the shares that can be subscribed for by exercising warrants?**

The price of the shares that can be subscribed for by exercising warrants will be

equal to the volume-weighted average price (VWAP) of the company's shares on the Oslo Stock Exchange on the last three trading days before the first date on which the holder of the warrants can exercise the subscription right, less a discount of 30%. However, the subscription price must in any case not be lower than the nominal value (NOK 0.10) or be higher than the subscription price in the rights issue plus 30%.

**16. Do the warrants have a financial value?**

Warrants do normally have a financial value when the subscription price is lower than the share price in the market.

**17. What do I have to do to acquire warrants?**

Everyone who is allocated and pays for shares in the rights issue, including the underwriters, will, as mentioned, receive warrants, so that two shares allocated and paid for in the rights issue will give one warrant.

**18. Can I buy or sell warrants?**

The warrants will be registered in the Norwegian Central Securities Depository (VPS), and the company will use reasonable efforts to seek to ensure that the warrants are admitted to trading on a suitable market as soon as possible after the completion of the rights issue, but no guarantee can be given that such admission to trading will be achieved. If the warrants are admitted to trading, you can buy and sell warrants.

**19. Will the warrants I have been allocated cause me to automatically subscribe for new shares?**

No. If you wish to make use of warrants that have been allocated as a result of participation in the rights issue, you must subscribe for the new shares by completing a subscription form electronically or sending it by post. The company will communicate how the warrants can be exercised through stock exchange announcements, which will be published prior to each of the two mentioned exercise periods in 2023 and 2024.

**20. What risk do I take if I invest in BerGenBio?**

A description of risk factors when investing in the company will be presented in a prospectus. The prospectus is subject to approval by the Norwegian Financial Supervisory Authority, which is expected to be issued on 26 May 2023. The prospectus will be published before the start of the subscription period and will be the basis for subscription in the rights issue.

**21. How can I find out more about the rights issue?**

If there are any questions related to the rights issue that you have not received an answer to in this document, or in any other way, you can send your inquiry to [ir@bergenbio.com](mailto:ir@bergenbio.com). Based on the questions received, the company will assess the need for further information and an arena to answer them. This document with questions and answers will also be updated if necessary. Furthermore, the prospectus will provide additional information about the rights issue when approved and available.

## **About the company's future strategy and need for financing**

### **1. Why does the company want to raise capital? What will the capital be used for?**

The company needs capital to conduct planned activities in accordance with the strategy communicated in May 2022, including the conduct of a clinical phase 1b/2a study in first-line non-small cell lung cancer (NSCLC) for patients with STK11 mutations, further pre-clinical studies within NSCLC, pre-clinical studies within severe respiratory infections, as well as general corporate purposes.

### **2. What assessments have the company made with respect to alternative methods of raising capital?**

The capital markets for biotech companies are in a very demanding situation. The board has continuously assessed opportunities to raise capital in collaboration with the managers and concluded that a rights issue is the best opportunity to secure the company's capital needs and ensure that all shareholders are given an equal opportunity to participate.

### **3. For how long will the company be financed with and without the rights issue?**

The company is financed until the end of 2023 with the existing loan facility from Meteva AS, which is currently unused. If the rights issue is fully subscribed, the company will be financed into Q4 2024 without the need to draw on any loan facilities.

### **4. What will be the most important milestones for the company in the next year and a half?**

Within this timeframe, the company expects to present 1<sup>st</sup> line NSCLC STK11 mutation data from the clinical phase 1b and interim data from the clinical phase 2a, which will collectively form the basis for further clinical development in first-line treatment for this patient population. Furthermore, the company expects to present additional pre-clinical data for NSCLC patients and for patients with severe respiratory infections. Furthermore, potential partnerships can be a further milestone that can strengthen the value of the company's product candidates.

### **5. What is the commercial potential if the company succeeds in developing bemcentinib?**

Both within the NSCLC segment and severe respiratory infections, the company considers the market potential to be multi billion USD annually for each indication.

### **6. What is the probability of the company succeeding in developing bemcentinib?**

An exact mathematical answer to that question cannot be given. The probability that the company will succeed with its strategy to develop bemcentinib depends on the data that the company is working to generate in its focus areas. So far, the company considers the available data to be promising.

### **7. Why is the company pausing the bemcentinib part of the EU SolidAct study? How does the company assess the future prospects of this study?**

The reason is quite simply that there is currently not a sufficient number of patients due to developments in the covid pandemic. The advantage of pausing the study is that it can be quickly resumed if there is an increase in new patient admissions.

**8. What significance does the management think it has for the company that Meteva AS is the company's largest shareholder?**

Meteva AS has for long been a significant shareholder in the company, and over many years contributed to capitalizing the company. Meteva AS has thus been an important and long-term shareholder and, in connection with the proposed rights issue, has once again demonstrated its invaluable support for the company.

**9. In October 2022, the company entered into a loan agreement with Meteva AS of up to NOK 100 million. How much of this loan has been used by the company?**  
The company has not used this loan, so far.

**10. What steps does the company make to reduce costs?**

The company is very cost-conscious and has a strong focus on using capital for purposes within the strategy, while continuously assessing whether activities can be carried out more efficiently and reduce costs further. In 2022, as a result of focusing the strategy, the company carried out a significant reduction of external and internal costs. This also included a reduction in the number of man-years. The company also has activities that are being completed now in 2023 which will further reduce costs going forward.

**11. Does the company plan to make any business updates before the ordinary general assembly?**

The company works continuously to ensure that the market is up-to-date on the company's progress and expects that there will be further updates on an ongoing basis, also before the ordinary general assembly.