

“I don’t think there’s any other field of medicine today that holds as much promise for the future of medicine as the microbiome.”

Bernat Olle, CEO, Vedanta Biosciences, Feb 2020

“[regarding live biotherapeutics] The science is turning... When it comes through with proof, these biotech companies will be worth not hundreds of millions of dollars, but billions.”

Dr Gbola Amusa, Head of Healthcare Research, Chardan, Feb 2020

Servatus Limited

Up to \$5.0m Capital Raise via Issue of Ordinary Shares

PRIVATE AND CONFIDENTIAL TERM SHEET

SOPHISTICATED AND WHOLESALE INVESTORS ONLY

Lead Manager	Novus Capital Limited (" Novus ") has been appointed Lead Manager (" LM ").
Issuer	Servatus Limited ACN 160 435 254 (" Servatus " or " Company ")
Industry Group	Health Care
Offer Details	Up to \$5.0 million capital raise by issue of new ordinary shares issue at \$0.15 per share with a 1:1 free attaching option at 30c (24 month expiry).
Use of Funds	<p>Servatus has achieved a break-through result for the treatment of major autoimmune conditions. The money raised will be invested to complete key milestones unlocking the significant value from the recent clinical trial results. The specific use of funds will be prioritized to:</p> <ol style="list-style-type: none"> 1. Rheumatoid arthritis clinical trial patient data analytics (\$0.6m) 2. Rheumatoid arthritis clinical trial extension (\$3.5m) 3. Expansion of the Biomiq business (\$0.5m), 4. Working capital (\$0.4m)
Business Overview	<p>Servatus is an exciting business founded on three separate platforms: Drug development, manufacturing and OTC health products. Each business is successful and potentially valuable in its own right. Servatus' recent landmark clinical trial result for the treatment of rheumatoid arthritis has the potential to change the treatment of a USD25bn/year disease. Servatus is also developing a number of high potential assets including novel treatments for insomnia and chronic constipation via live biotherapeutics and acne via the skin microbiome. The acne and associated skincare products are commercial at an early stage.</p>
Investment Highlight	<ul style="list-style-type: none"> • Unique Business Model: Servatus offers a diversified, lower-risk life sciences model with substantial short-term upside due to breakthrough live biotherapeutic drugs (LBPs). • High-Value Drug Development: Our novel LBPs address significant global health problems. Our recent clinical trial for the treatment of rheumatoid arthritis shows the potential to redefine treatment in a \$25 billion market. • Other Breakthrough Therapies: Our platform has also demonstrated efficacy in treating insomnia and IBS-C, both of which are large, unmet needs globally. • Proprietary OTC Products: Leveraging our microbiome expertise, we have developed high-performance OTC products, including treatments for skin quality and infections. • State-of-the-Art Manufacturing: Our biopharmaceutical manufacturing capabilities support low-cost, innovative product development across our therapeutic and OTC lines. • Substantial Prior Investment: Servatus has already attracted \$24.7 million from long-standing investors over the past decade. • R&D Support: We anticipate receiving a \$2.7 million Federal Government R&D tax rebate to further support our initiatives.

Clinical Trial Results

The primary use of funds relates to analytics and extension of the landmark results of the recently completed Phase 2a clinical trial for 64 “hard to treat” patients. In conclusion, Professor Peter Nash, the trial Principal Investigator, concluded that Servatus’ product was very safe and had displayed a “**robust anti-inflammatory effect**” with a “**of a potentially important role in RA management.**”

Business Structure



- Drug Development:**
SVT-6A4710 platform:
- Rheumatoid arthritis
 - Inflammatory Bowel Disease
- Protein Therapy**
- Rheumatoid arthritis
 - Inflammatory Bowel Disease
 - Psoriasis
- Other LBP candidates**
- Insomnia
 - IBS-C



Australian Biotherapeutics

Advanced biopharmaceutical manufacturing

biomiq

OTC products

- Acne
- Microbiome Skincare
- Powdered OTC biotherapeutics

Clinical Pipeline

Servatus clinical pipeline							
	Target indication	Platform	Preclinic	Phase 1	Phase 2a	Phase 2b	Comments
AUTOIMMUNE							
SVT-6A4710	Rheumatoid Arthritis (RA)	LBP	Completed				Global first clinical trial for RA sufferers using LBPs. Strong efficacy signals in clinical trial.
SVT-Bax2-5	Rheumatoid Arthritis (RA)	Engineered Proteins	Preclin				Compelling pre-clinical efficacy signals comparable to global leading treatments
LBPs							
SVT-4A1011	Insomnia	LBP	Completed				Strong performance over placebo; competitive signals in key measure of sleep improvement. Excellent safety profile
SVT-1B1410	Irritable Bowel Syndrome-Constipation (IBS-C)	LBP	Completed				Competitive efficacy signals in abdominal pain and bloating. Excellent safety profile

Completed to end of Phase
 Trial / Preclin In progress
 Target in-house development Phase

OTC Business Skincare

High performance skincare products at the early stage of commercialization as a core product offering of Biomiq.

- Skincare: Acne**
- Large target demographic, female and male,
 - 12-25 yrs,
 - prevention and treatment of mild to moderate acne.



“After only a few days, it dramatically reduced the visible appearance of acne and scarring.”

I would consider it a necessity to my skin care regimen.”

Jeqeeli



- Skincare: Glow**
- Large target demographic,
 - Predominantly female,
 - 20-65 yrs,
 - Microbiome restoration, skin health and appearance.



“I’m amazed the difference Glow has made to my skin, my sunspots faded within 2 weeks and my overall skin tone improved with less redness”

Scott



- Skincare: Soothe**
- Large target demographic,
 - Female and male,
 - 15-75 yrs,
 - Reduce redness, dryness and irritation.



“My skin has improved so much I was shocked. I’ve been raving about this product to all my friends.”

Leanne R



Core Value Proposition

Over the next 12-18mo we anticipate driving value enhancement by achieving key milestones via the effective use of funds. These efforts are expected to further unlock significant value through one or several of the following strategic initiatives:

- Licencing our high value assets;
- Spinning off consumer lines;
- Forming equity partnerships and joint ventures;
- Collaborating on joint clinical trials

Multiple assets with valuation uplift potential

Key points:

- Based on numerous listed peers Servatus has the asset composition to become a very valuable company.
- Each business / asset line can reach very meaningful valuations in their own right.
- The recent revaluation of Clarity Pharmaceuticals (ASX: CU6) to \$2.4bn and Neuren (ASX: NEU) to \$1.7bn are good examples of the valuation potential of therapeutic companies that are successful with proven treatment potential and access to market.

	A\$m	Comparables	Comps Market Cap (A\$m)
LBP	475	Race Oncology (ASX RAC)	300
		Immutep (ASX IMM)	500
Proteins	350	Moonlake (US - MLTX)	5,700
Biomiq	175	Bondi Sands; Cera-Ve; Biome (ASX: BIO)	450 / 1,500 180
Corporate/ Manufacturing	50		
	1,050		

Capital Structure

Servatus Capital Structure	
Current Ordinary Shares Outstanding	224,700,000
New Shares Issued at 0.15c (\$5m)	33,333,333
Shares on Issue Post Raise	258,033,333
AUD Market Value of Company at Close (@ 0.15c)	38,705,000

Key Risks

- Drug Development**
- We are early in our development efforts and may not be successful in our efforts to use our platform to build a pipeline of product candidates and develop marketable drugs.
 - Companies with microbiome products or differing microbial products may produce negative clinical data which will adversely affect public perception of our product candidates, and may negatively impact regulatory approval of, or demand for, our potential products.
 - Catastrophic loss of our master cell banks could significantly impair our ability to manufacture our product candidates
 - Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates
 - If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize our product candidates or will not be able to do so as soon as anticipated, and our ability to generate revenue will be materially impaired.
 - Even if any of our product candidates receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, hospitals, third-party payors and others in the medical community necessary for commercial success.
- Biomiq**
- If we are unable to establish effective sales, marketing and distribution capabilities or enter into agreements with third parties with such capabilities, we may not be successful in commercializing our products.
 - We face substantial competition, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.
- Intellectual Property**
- If we are unable to adequately protect our proprietary technology, or obtain and maintain issued patents which are sufficient to protect our product candidates, others could compete against us more directly, which could have a material adverse impact on our business, results of operations, financial condition and prospects.
 - If we are unable to protect the confidentiality of our trade secrets and know-how, our business and competitive position would be harmed
- Product Liability**
- Product liability lawsuits against us could cause us to incur liabilities and limit commercialization of any products that we may develop.

Contacts

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