



today that holds as much promise for the future of medicine as the microbiome."

"I don't think there's any other field of medicine "[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."

Bernat Olle, CEO, Vedanta Biosciences, Feb 2020

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	 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: 1. Rheumatopid arthritis clinical trial patient data analytics (\$0.6m) 2. Rheumatopid arthritis clinical trial extention (\$3.5m) 3. Expansion of the Biomiq business (\$0.5m), 4. Working capital (\$0.4m) 						
Business Overview	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 fo the 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.						
Investment Highlight	 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



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	
	AUTOIM	MUNE							
	SVT- 6A4710	Rheumatoid Arthritis (RA)	LBP	Complete	ed			Clobal 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	Complete	ed			Strong performance over placebo; competitive signals in key measure of sleep improvement. Excellent safety profile	
	SVT- 1B1410	Irritable Bowel Syndrome- Constipation (IBS-C)	LBP	Complete	ed	•		Competitive efficacy signals in abdominal pain and bloating Excellent safety profile	
	Complet	ed to end of Ph	ase		Trial / Pre	clin In progr	ess	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.

Skincare: Glow

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

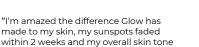
Skincare: Soothe

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

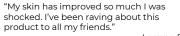
"After only a few days, it dramatically reduced the visible appearance of acne and scarring.

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





made to my skin, my sunspots faded within 2 weeks and my overall skin tone improved with less redness" Scott



Leanne R









Capita

Key Risks



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		

al 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					

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
- Catastrophic loss of our master cell banks could significantly impair our abuity 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.





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- b) Singapore: an "institutional investor" or a "relevant person" (as such terms are defined in the Securities and Futures Act of Singapore); or
- c) United Kingdom: a "qualified investor" within the meaning of section 86(7) of the Financial Services and Markets Act 2000 and within the categories of person referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (UK), as amended; or
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