Biosergen AB

Fogdevreten 2, 171 65 Solna

Registration no. 559304-1295

Annual Report
with
Consolidated financial statements
2025

Dear shareholders,

2025 started off on a very positive note with the completion of the second cohort in our proof-of-concept clinical trial for our anti-fungal drug candidate, BSG005.

The data from the two first cohorts provided compelling proof-of-concept on BSG005, reinforcing its potential as a life-saving treatment for patients with invasive fungal infections who have no remaining medical treatment options. Across both cohorts, all patients who completed BSG005 treatment experienced clinical benefits, with multiple complete recoveries and significant improvements – all without severe side effects. Importantly, we also confirmed that the compound acts as a broad-spectrum antifungal, as we observed clinical improvements across varying infections.

The first two cohorts were so successful that investigators routinely kept patients on therapy for unprecedented durations, which meant we needed a new batch of BSG005 before opening cohort three. Throughout the year we unfortunately experienced severe delays in the production of the new batch of BSG005.

Meanwhile, we carried on with other highly relevant activities: we initiated a dialogue with the U.S. Food and Drug Administration, held our first in-depth pre-IND advice meeting, and the guidance we received provided a clearer roadmap for the next development step.

It was a pleasure to see how the company continued to mature in its readiness for a later-stage development phase. We strengthened the manufacturing process, executed a reverse share split, and welcomed new key talent.

At the same time, we kept an ongoing dialogue with existing major shareholders, potential new institutional investors, and financial advisors to assess whether it would be possible to raise the capital needed to advance the project to the next phase.

As we have communicated on April 5, 2026, those efforts have not been successful, either throughout 2025 or during this year. Therefore, we are now seeking a divestment of the BSG005 asset, a reverse takeover, or a legal merger with another company – and only if those alternatives prove unattainable on acceptable terms will a voluntary liquidation be considered.

I find it very regrettable that we, despite the promising early data, have not been able to create sufficient interest in investing in the further development of BSG005. I want to assure all stakeholders who have supported us over the years that we are doing all we can to find a new home for our novel anti-fungal drug.

Yours sincerely,
Tine Kold Olesen
CEO Biosergen

OTHER INFORMATION

BSG005 in brief

In brief, BSG005 is an important new drug in the field of antifungals because of its fungicidal effect (it kills the fungus), which is preferable to drugs with a fungistatic effect (inhibiting the fungus, not killing it). Due to the fungicidal effect BSG005 does not create resistance to treatment as fungistatic antifungals do. Moreover, it is a broad-spectrum antifungal agent, the only approved comparable antifungal drug with a similarly broad cover of fungal strains is Amphotericin B. However, BSG005 does not possess the same toxic properties as Amphotericin B and other drugs from the same drug group (Polyenes), as shown in a Phase 1 trial in healthy subjects. In addition, BSG005 has also shown effect against resistant fungal strains and other strains that have been difficult to treat with the drugs available on the market in vitro. Finally, the first 10 patients have been treated with BSG005 as a rescue therapy generating data in patients that had failed standard of care due to safety or efficacy. Two patients achieved complete recovery, six patients showed significant improvements, one patient voluntarily withdrew and one severely ill patient, unfortunately, passed away due to causes unrelated to BSG005. The positive outcomes underscore BSG005's potential as a secure, life-saving rescue therapy.

Patents

Biosergen has strong patent protection family in four regions, USA, EU, Japan, China Australia, major parts of the EU as well as other countries. The patents consist of both granted patents and patents under evaluation, providing patent protection until 2043 if granted.

Orphan drug status - Aspergillosis

Biosergen was granted orphan drug status for BSG005 by the FDA in June 2021, based on the expectation that fewer than 200,000 patients per year in the USA with invasive aspergillosis will be treated with the medication. One of the advantages of orphan drug status is guaranteed market exclusivity for a limited period after the drug's approval (currently five years in the USA).

In 2012, the United States Congress established GAIN (Generating Antibiotic Incentives Now) to provide incentives for the development of antibacterial and antifungal drugs for human use, intended to treat serious and life-threatening infections. Under GAIN, a drug can be designated as a Qualified Infectious Disease Product ("QIDP"), if it meets the criteria outlined in the statute, which the Company expects BSG005 to fulfill. A drug receiving QIDP designation is eligible for priority designation and review under the statute, along with additional market exclusivity (currently five years).

Biosergen intends to apply for GAIN/QIDP status in the USA after the Phase 2 data has been published, as this information will be required for the application process.

The study planned in aspergillosis is planned to incorporate a phase 2/3 adaptive design. The patients to be included should have proven/probable invasive aspergillosis. The goal is to evaluate all-cause mortality after 12 weeks of treatment. Approximately 150 patients are planned for the adaptive design.

This study is a global study planned to be performed in collaboration with Biosergen's Indian partner, Alkem. Alkem will be responsible for the patients recruited in India and Biosergen will be responsible for the patients coming from the rest of the world. Biosergen can use the data generated in India world-wide.

FUNGAL INFECTIONS ARE INCREASING

Of the hundreds of thousands of fungal species, only a few hundred can infect humans and even fewer have the capacity to cause serious health problems. However, when they do infect humans, fungi can cause a variety of illnesses with symptoms ranging from a mild rash to life threatening pneumonia and death. Well known diseases frequently associated with fungal infection include various allergies, lung infections and meningitis, but also much less dangerous ailments such as athlete's foot and thrush (a mouth infection typical in newborns).

Fungal infection is an increasing problem

In January 2024, new numbers on the incidence of severe life-threatening fungal disease were published. It is estimated that 6.5 million people have life threatening fungal disease. The mortality rate attributable to fungal disease alone is 2.5 million people. In other words, these are patients whose cause of death is fungal disease, regardless of any other condition they may have[1]. It is an increase of 66 percent compared to numbers published in 2017. One notable patient group included in the current numbers are patients with

[1] David Denning, The Lancet Infectious Diseases, January 2024

chronic obstructive pulmonary disease (COPD), these have not previously been included. The risk for a COPD patient of being infected with a life-threatening disease is much higher than previously anticipated.

The factors behind the increased incidence, particularly of serious invasive (systemic) fungal infections, can be grouped into three broad categories:

Opportunistic fungal infection
The incidence of opportunistic fungal infections, such as cryptococcosis and aspergillosis, is increasing because the number of people with weakened immune systems continues to increase, both in developed and developing countries. This group includes individuals with chronic obstructive lung disease, cancer patients, transplant recipients, people taking medications that weaken the immune system, and those living with HIV/AIDS.[2]

Hospital-acquired infection
Hospital-acquired infections, including bloodstream infections, pneumonia, and urinary tract infections are on the rise, also in the developed world. The increase has multiple causes, including more hospitalized patients with weakened immune systems, an increasing elderly population, and more invasive medical procedures.

Community acquired infection
Certain fungal species live in particular geographies and/or environments and are known to be sensitive to changes in temperature and moisture. There has been an increase in fungal infection outbreaks in recent years in certain regions. These outbreaks are almost certainly linked to demographic changes and climate changes.

Four species are responsible for the majority of life threatening invasive fungal infections
Most invasive fungal infection-related serious illnesses and deaths are caused by four particular fungal pathogens: *Candida*, *Aspergillus*, *Cryptococcus* and *Pneumocystis*.

Candida
Candida is a yeast that causes infections in individuals with deficient immune systems. Systemic *Candida* infections of the bloodstream and major organs, occur particularly in immunocompromised patients. The infection can occur in the mouth and throat, vagina, or bloodstream. People with diabetes and HIV are particularly susceptible to Candidiasis. It is estimated that approximately 1,500,000 people worldwide develop invasive Candidiasis (including candidemia) every year[3], and that more than half of all sales of antifungal drugs (52%) are directed against the *Candida* pathogen[4]

Aspergillus
Aspergillus cause Aspergillosis which primarily develops in people with weakened immune systems or lung diseases. These fungi also cause allergic reactions. Types of aspergilloses include chronic obstructive lung disease (COPD), allergic bronchopulmonary aspergillosis and invasive aspergillosis, both of which conditions are potentially lethal. It is estimated that more than 2,000,000 people worldwide develop Aspergillosis every year[1] and that approximately 21 percent of all sales of antifungal drugs are directed against the *Aspergillus* pathogen.

Cryptococcus
Cryptococcus is rare in healthy people but in patients suffering from HIV infections and AIDS it can cause life threatening forms of meningitis and meningo-encephalitis. It is estimated that approximately 150,000 AIDS patients develop life threatening Cryptococcosis every year and that approximately 7 percent of all sales of antifungal drugs are directed against the *Cryptococcus* pathogen.

Pneumocystis
Pneumocystis is a frequent source of opportunistic lung infections in people with a weak immune system or other predisposing health conditions. It is often seen in patients suffering from HIV infections and AIDS but is also found in patients using immunosuppressing medications and people with cancer, autoimmune or inflammatory conditions, and chronic lung disease. It is estimated that approximately 400,000 people develop pneumocystis pneumonia every year and that less than 5 percent of all sales of antifungal drugs are

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[2] It is estimated that close to 50% of all AIDS related deaths are attributable to an invasive fungal infection. GAFFI (Global Action Fund for Fungal Infection), August 2017

[3] Bongomin et al.Journal of Fungi, October 2017

[4] Market Research Future. *Global Antifungal Treatment Market forecast to 2027*.

directed against the *Pneumocystis* pathogen.

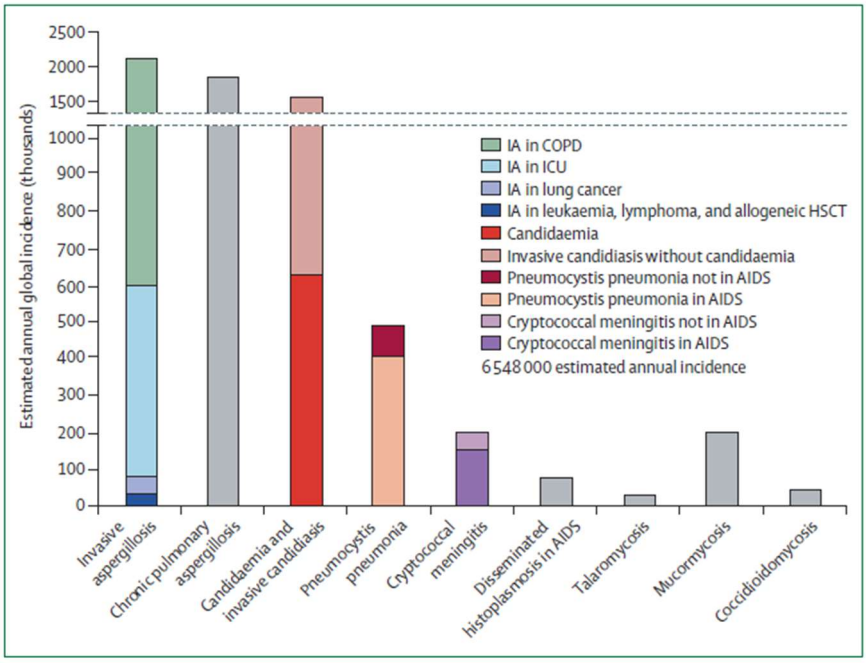


Figure 1: **Estimated annual incidence of life-threatening invasive mycoses, together with chronic pulmonary aspergillosis**

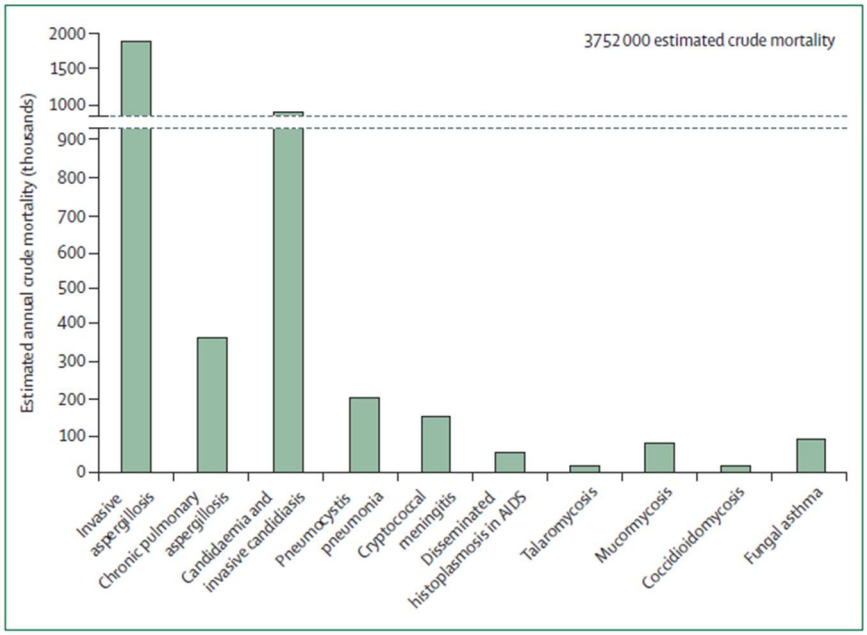


Figure 2: **Estimated crude mortality of severe fungal disease, worldwide**

The crude mortality is 3.75 million patients of which 2.55 million are directly attributable to fungal disease only.

Diagnosing and treating invasive fungal infection is difficult

The diagnosis of fungal infection poses a particular problem because diagnostic methods, even in the developed world, often are too slow to be clinically relevant or fail to detect exactly what fungal species is causing the infection. Adding to the problem is that symptoms often present as non-specific, meaning that without access to sophisticated diagnostic tests, a physician would barely be able to establish that the patient is suffering from a fungal infection as opposed to any other invasive microbe, let alone what particular species of fungi the patient is infected with. As a result, fungal infections are often treated in the blind or not treated at all.

The three classes of antifungals used today

The three main classes of antifungal drugs today are the Polyenes, the Azoles and the Echinocandins. A smaller group of products are the Allylamines and the Pyrimidines. The total sales of antifungals for human medicinal use were estimated to be approximately USD 16.7 billion in 2020[5]. Sales are growing by six to seven percent per year. Although most serious infections occur in the developing world, the United States and Europe make up approximately 70 percent of the market.

The Polyenes

The Polyenes were discovered already in the early 1950s based on the observation that certain types of *streptomyces* bacteria were able to kill fungal cells in their vicinity. Polyenes work by forming ion-channel like pores in the fungal cell wall, which causes certain ions to leak out of the cell, leading to cell death. The polyenes are fungicidal and very effective with almost no resistance build over more than 50 years, but their use is restricted by their toxicity, particularly to the kidney. Amphotericin B is the most well-known of the polyenes. Other drugs in this class include Candicidin and Nystatin. New formulations of Amphotericin B, such as the liposomal formulation Ambisome, aims to achieve lower toxicity while maintaining at least similar efficacy compared to the parent compound. However, nephrotoxicity remains a significant dose-limiting side effect that has not been eliminated. This is the primary reason that the polyenes, despite their effectiveness, make up only approximately 10 percent of the total antifungal drug market.

The Azoles

The first Azole derivatives were discovered in the late 1960s. They work by inhibiting the synthesis of certain fat components of the fungal cell wall. In contrast to the Polyenes, they are primarily fungistatic rather than fungicidal, but they are effective against a broad range of fungal pathogens and display none of the kidney toxicity seen with the polyenes. Well-known drugs in this class include Fluconazole, Ketoconazole, Miconazole and Voriconazole. It is estimated that the Azoles comprise approximately 42 percent of the total antifungal drug market.

The Echinocandins

Drugs from the Echinocandin class inhibit the synthesis of yet another component of the fungal cell wall known as ß-glucan. They are the newest class of antifungals, although they were in fact discovered in the 1970s. The Echinocandins are fungistatic, have a fairly broad range particularly against candida species, and have low toxicity. They do however have poor bioavailability and must be administered intravenously. Well known Echinocandins include Caspofungin and Micafungin. It is estimated that the Echinocandins comprise approximately 32 percent of the total antifungal drug market.

The Allylamines and Pyrimidines

Allylamines work by inhibiting an enzyme required for the development of the fungal cell wall. Like the Echinocandins, they were discovered in the 1970s. The Pyrimidines work by interfering with the fungi's protein synthesis. They were introduced as antifungals in the late 1950s. The Allylamines and Pyrimidines (as well as a few other drugs) make up the remaining 16 percent of the market.

[5] Market Research Future. *Global Antifungal Treatment Market forecast to 2027*. The market for fungicides in agriculture and industry is at least as large as the human drug market but is not considered in this discussion.

All three of the main classes of antifungals, the Polyenes, the Azoles and the Echinocandins, target the fungal cell wall because this is the part of the fungal cell that is most different from the human cell. Antifungals whose mechanism of action specifically target the fungal cell wall therefore tend to be less toxic to humans. Because the treatment of invasive fungal infection is often initiated before a precise diagnosis can be reached, the initial treatment usually consists of a combination of drugs. However, common first line treatment combinations consisting of drugs from the Azole and Echinocandin classes are generally only fungistatic, not fungicidal, which makes them vulnerable to resistance development. The Polyenes, the most prominent of which is Amphotericin B, are fungicidal but are used only sparingly as first line treatment because of their toxicity.

Multidrug resistance is an increasing problem
Fungi, like bacteria, can develop resistance when the particular species develop the ability to defeat the drugs designed to kill them. Since only a few types of antifungal drugs currently exist, antifungal resistance severely limits treatment options. Some species, like *Candida auris*, can become resistant to all three main drug types. Resistance is particularly problematic for patients suffering from invasive fungal infections.

One reason resistance is on the rise is the increasing use of Azole and Echinocandin drugs, both of which are fungistatic rather than fungicidal. With fungistatic, some fungal cells survive, and these are, by definition, the cells that already were resistant to the drug or acquired the ability to resist through mutation during the treatment course. Another reason for the rise in resistant fungal strains is the broad and often indiscriminate use of antifungals in agricultural and livestock production. Certain azoles are even used in industrial coatings and for timber preservation. All international public health organizations, including the WHO and the CDC (The United States Centre for Disease Control) as well as the European Commission recognizes the rise in fungal infections and not least the rise in Multi Drug Resistant (MDR) fungal strains as a global health threat[6].

BSG005's position in the market
Invasive fungal infection is an aggressive disease with up to 90 percent of patients dying in the first two weeks, often before the fungal species is even identified. BSG005 will be positioned as first line treatment for invasive fungal infections based on the drug's fungicidal activity, broad coverage of different fungal species, including single drug and multidrug resistant strains, low risk of resistance development and not least, safety. In the Company's opinion, no other anti-fungal currently offers this profile. The typical setting would be for BSG005 to be administered intravenously in Intensive Care Units. Because it offers a unique profile, BSG005 will be positioned at a price premium to reflect its exceptional therapeutic value potential. The market potential is large. The market share covered by Amphotericin B and lipid versions is about USD 450 million and the other products used in fungal infections is approximately USD 20 billion. None of the products has the profile of BSG005 and the market potential in this field is large because of the unmet medical need in these severe fungal infections.

Competition
The current standard of care for severely ill patients is treatment with an Azole or Echinocandin antifungal and/or Amphotericin B (possibly in combinations). Drug combinations are chosen because individual products have significant gaps in their fungal coverage. As opposed to the Azoles and Echinocandins, drugs based on Amphotericin B and other Polyenes have fungicidal activity, but they can only be given for a short time and at limited concentrations due to their toxicity, which includes irreversible kidney damage.

Market trends
The antifungal market is impacted by several factors, several of which have already been discussed. Other factors impacting the use of antifungals include:

Demographic and economic development
The aging population in developed countries increases the demand for medicine and health services. Apart from the overall increased number of people that need healthcare, a general increase in global wealth also creates an increase in demand for proper healthcare, for instance in newly developed countries.

Increased demand for food production
Human population growth fuels a demand for increasing food production. Antifungals are widely used in agriculture and the resulting resistance problems spill over into the human population. The problem is further exacerbated when the plant's natural antifungal defenses are gradually bred out, and yet further exacerbated again by the rising popularity of the Azoles as a fungicide used for crop protection.

[6] www.who.int/health-topics/antimicrobial-resistance

Medical advances increase the susceptible population
Medical advances leading to greater initial survival of cancer or organ transplants inadvertently leave more patients susceptible to secondary attack from opportunistic fungi, further fueling a vicious cycle where more antifungals are used, leading to yet more resistance development.

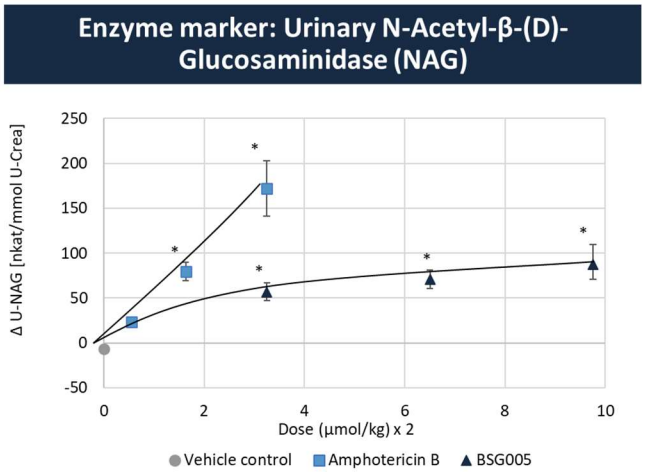
Environmental changes
There is increasing evidence that climate changes could result in an expansion of fungal diseases simply by increasing the geographical reach of certain species[7].

BSG005

BSG005 is a polyene macrolide antifungal molecule belonging to the same antifungal class as Nystatin and Amphotericin B. As with the other Polyenes, BSG005's mode of action is inference with the fungal cell wall by creating pores from which ions and other matter can leak out of the cell and causes cell death.

Preclinical data for BSG005
In toxicology studies the molecule is completely safe for the kidneys with a wide therapeutic window.

BSG005 shows significantly less toxicity in the kidneys in a preclinical test compared to the main competitor.



In this standard model of kidney toxicity, a kidney enzyme called NAG is measured. NAG is known to be strongly correlated with the destruction of certain tubular microstructures in the kidney. Even at a dose three times as high, BSG005 showed less than half the kidney damage when compared to Amphotericin B.

The *in vitro* testing of BSG005 against more than 200 different fungal strains has shown a fungicidal effect against most strains, including strains resistant to Azoles and Echinocandins. Preliminary data also shows strong effect on multi resistant Candida auris. *In vivo* testing has revealed excellent antifungal protection against *Aspergillus* and *Candida* strains also resistant strains.

In summary, BSG005 has in preclinical studies shown to have a very broad spectrum of action, not least resistant *Aspergillus* and *Candida* strains as well as multi resistant *Candida* auris. At slightly lower than expected clinical dose levels, the drug demonstrates a potency advantage over new liposomal formulations of Amphotericin B, the current standard of care for patients not responding to Azole and Echinocandin treatment. The Company is not aware of any other anti-fungal on the market or in development with a similar profile.

[7] Garcia-Solache and A. Casadevall: Hypothesis: global warming will bring new fungal diseases for mammals. mBio, May 2010.

The central ambition of the entire program behind BSG005 was to develop a drug with a superior safety profile over Amphotericin B. Early on, the toxicology tests included comparisons of different solid forms of the drug, drug formulations, formulation preparation procedures, intravenous (IV) dosing methods and infusion durations, just to name a few. No genotoxicity has ever been seen. Later safety pharmacology studies found BSG005 to be free of cardiovascular, central nervous and respiratory adverse effects.

None of the preclinical tests have indicated a significant kidney toxicity potential.

Phase 1 clinical trial data for BSG005
The promising preclinical safety data were confirmed in the first-in-human Phase 1 clinical trial in 38 volunteers at the Nucleus Network Phase 1 Unit in Melbourne, Australia.

The clinical Phase 1 trial was a double-blinded, placebo-controlled study (randomized 4:2), meaning that out of the total of the 38 volunteers, 24 subjects received a single dose in the SAD part and another 12 volunteers received a dose every day for 7 days in the MAD part in a dose escalation fashion.

In summary, BSG005 was found to be safe in healthy subjects during the SAD and MAD parts of the study. There were no notable changes in postbaseline clinical laboratory parameters (including kidney and liver) and vital signs, and no clinically meaningful abnormalities were noted in ECG assessment. All adverse events reported were mild to moderate in severity and no subject experienced any serious adverse event.

All in all, data from both preclinical studies and the Phase 1 study show that BSG005 has a favorable and crucial differentiation from Amphotericin B, the drug with which BSG005 will most directly compete.

The very encouraging data from the study forms the basis for the next study in patients.

Disseminated Candidiasis together with rare diseases - several invasive fungal infections tested under one protocol
Invasive candidiasis has a high incidence and one of the highest mortalities within invasive fungal diseases. There are clear benefits of a basket study within the mycotic environment where the response to several fungal strains can be tested within one protocol. It is difficult to diagnose a particular fungal strain early and published data indicate that the mortality increases exponentially with late onset of adequate treatment. The ideal candidate in this setting is a broad-spectrum antifungal as BSG005.

Future challenges
The Company's principal challenges relate primarily to obtaining regulatory approvals and managing the uncertainties inherent in the execution of clinical trials, including patient recruitment rates, inclusion and exclusion criteria, dose determination, and site performance, among other factors. These elements are critical for the continued development of BSG005 and its eventual commercialization, as well as for securing additional partnerships and funding for the clinical program.

To advance the project to the next phase, additional capital would be required. In light of the continued challenging financing environment, Biosergen has decided to pause the development of BSG005.

The Company continues to explore opportunities to secure funding and is evaluating various strategic alternatives to best safeguard shareholder value in the current circumstances. These alternatives may include a sale of the BSG005 asset, a legal merger with another company, or a reverse takeover.

Should none of these alternatives be deemed feasible on sufficiently attractive terms, the option of initiating a voluntary liquidation of the Company remains.

DIRECTORS REPORT

The Board of Directors and the CEO of Biosergen AB hereby present the annual financial and Consolidated statement for the financial year 2025-01-01 – 2025-12-31.

All amounts in the annual report are presented in Swedish krona, SEK. Unless otherwise stated, all amounts are posted in thousands Swedish kronor '000 (TSEK). Data in parentheses refers to the previous year.

About Biosergen

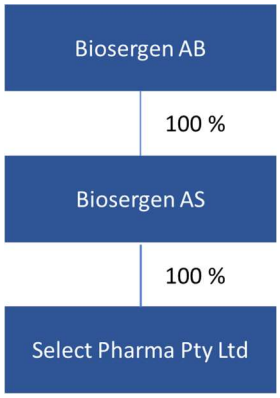
Vision and mission of the Company

Biosergen's mission is to develop BSG005, including novel formulations of this compound, into a new first line treatment choice against resistant and difficult fungal strains, setting a new standard for combating invasive fungal diseases where current therapies fall short and thereby saving thousands of lives of immune-compromised cancer- transplant- and AIDS patients every year.

The company intends to achieve its mission through a combination of academic and commercial excellence, strategic partnerships, and highly experienced leadership. Biosergen's vision is to emerge as a leading international biotechnology company in the global fight against fungal infections, building strong partnerships with pharmaceutical companies, key opinion leaders, NGOs, and government agencies all over the world.

Biosergen Group

Biosergen AB is the parent company in the group which in addition to the parent company consists of the wholly owned Biosergen AS which in turn owns 100 percent of the Australian subsidiary Select Pharma Pty Ltd.



The share

The shares of Biosergen AB were listed on Nasdaq Stockholm First North on June 24, 2021. The short name/ticker is BIOSGN and the ISIN code is SE0016013460. Per December 31, 2024, the number of shares was 234,823,212 distributed among 1668 shareholders. The average number of shares in The Company in Q4 2024 was 163,718,580. The Company has one class of shares. Every stock share equals the same rights to The Company´s assets and results.

Warrants

As an incentive for employees, Board Members, and key persons Biosergen has implemented four warrant programs. Key persons incentive program 2021 consisting of 18,885 warrants whereof all have been subscribed. Each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of SEK 106. Warrants 2024/2031:1 consisting of 42,633 warrants where all have been subscribed. Each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of SEK 45. Warrants 2024/2031:2 consisting of 14,211 warrants where 12,000 have been subscribed. Each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of SEK 45. Warrants 2025/2032:1 consisting of 3,500 warrants where all have been subscribed. Each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of SEK 45. Warrants 2025/2032:2 consisting of 13,906 warrants where all have been subscribed. Each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of SEK 45.

Subscription of shares with the support of warrants from program 2021-2024 may take place no later than December 31, 2031 and from program 2025 no later than December 31, 2032.

FINANCIAL REVIEW

Biosergen AB was registered in February 2021. On April 16, 2021, the company acquired Biosergen AS with the subsidiary Select Pharma PTY LTD and formed the group with Biosergen AB as parent company. Biosergen AB has its registered office in Solna, Sweden

Capital resources and Liquidity

In order to continue operating the business and pursue the planned development projects, the Board of Directors and management have worked on various strategic alternatives to secure the Company's long-term capital requirements. However, the Company has not been successful in obtaining new financing, which has impacted its ability to continue operations.

Subsequent to the financial year end, the Company has decided to pause the project.

Employees

On December 31, 2025, the Company and the Group had one employee of whom was a woman employed by the parent company. The average number of employees during the year was 2.

Risk and uncertainty factors

A pharmaceutical development company such as Biosergen is exposed to both operational and financial risks. A number of factors may adversely affect the likelihood of achieving commercial success. Apart from BSG005 having entered clinical testing in patients, no other significant changes regarding these risks or uncertainties have occurred.

The principal challenge for Biosergen relates to its ability to finance its development programs. To advance the project to the next phase, additional capital would be required. In light of the continued challenging financing environment, Biosergen has decided to pause the development of BSG005 in order to continue exploring opportunities to secure funding and to evaluate various strategic alternatives aimed at safeguarding shareholder value in the current situation. These alternatives may include a sale of the BSG005 asset, a legal merger with another company, or a reverse takeover.

Should none of these alternatives be considered feasible on sufficiently attractive terms, the option of initiating a voluntary liquidation of the Company remains.

HIGHLIGHTS DURING THE YEAR

- On 4 February, Biosergen successfully completed the second cohort in the clinical trial of BSG005, delivering critical proof-of-concept data and confirming the objectives for 2025. With the completion of the second cohort, the Company has obtained compelling proof-of-concept data for BSG005, further supporting its potential as a life-saving treatment for patients with invasive fungal infections who have no remaining treatment options. In both Cohort 1 and Cohort 2, all patients who completed treatment with BSG005 demonstrated clinical benefit, including several complete recoveries and significant improvements, with no serious adverse events reported.
- On 9 May, a proposal was made to elect Dr. Marco Taglietti, M.D., as a new member of the Board of Directors at the upcoming Annual General Meeting. Dr. Taglietti has an extensive and successful track record in the development of anti-infective therapies, obtaining regulatory approvals for multiple treatments, and executing significant licensing agreements.
- On 24 July, Mark Beveridge was appointed Chief Financial Officer.
- A pre-IND meeting with the U.S. Food and Drug Administration (FDA) was successfully conducted, resulting in valuable regulatory guidance during the fourth quarter of 2025.
- A reverse share split at a ratio of 1:100 was completed on 2 December 2025.

HIGHLIGHTS AFTER THE PERIOD

- On 5 April, the Company decided to pause the development of BSG005 in light of the continued challenging financing environment. Despite extensive efforts, the Company has not been able to secure the capital required to fund the continued development activities. It is the Company's assessment that, given its current cash balance, it will be able to continue operations for less than twelve months without additional capital

Proposed appropriation of earnings

The Board of Directors proposes that the available earnings (SEK) be appropriated as follows:

Share premium reserve	381 132 932
Profit/(loss) carried forward	-200 751 007
Profit/(loss) for the year	-173 269 824
	7 112 101
To be appropriated as follows:	
Carried forward	7 112 101
	7 112 101

The results and financial position of the Group and the Parent Company are presented in the following income statements, balance sheets, and cash flow statements, together with the accompanying notes.

Consolidated income statement

Income statement TSEK	Note	**01/01/2025** **31/12/2025**	**01/01/2024** **31/12/2024**
Operating income			
Other operating income	3	-	1 940
		-	**1 940**
Operating expenses			
Consumables		-	-
Other external expenses	4	-30 873	-15 404
Personnel costs	5	-4 941	-5 288
Other operating expenses		-2 225	-451
		-38 039	**-21 143**
Operating profit/loss		**-38 039**	**-19 203**
Profit from financial items			
Other interest income and similar items	6	30	86
Interest expenses and similar items	7	-4	-78
Profit after financial items		**-38 013**	**-19 195**
Profit before tax		**-38 013**	**-19 195**
Profit or loss for the year		**-38 013**	**-19 195**
Earnings per share (SEK)		-16,19	-8,17*
Diluted earnings per share (SEK)		-16,19	-8,17*

The result for the year is attributable to the parent company's owners.

*The calculation has been adjusted to reflect the reverse share split (100:1).

Consolidated balance sheet

Balance sheet TSEK	Note	**31/12/2025**	**31/12/2024**
ASSETS			
Current assets			
Current receivables			
Other receivables		4 173	492
Prepaid expenses and accrued income	8	288	1 918
		4 461	**2 410**
Cash and bank balance		15 367	50 612
Total current assets		**19 828**	**53 022**
TOTAL ASSETS		**19 828**	**53 022**
EQUITY AND LIABILITIES			
Equity	9		
Share capital		5 870	5 870
Other equity including profit for the year		5 893	42 338
Equity attributable to the parent company´s shareholders		**11 763**	**48 208**
Total equity		**11 763**	**48 208**
Current liabilities			
Accounts payable		5 389	2 383
Other liabilities		1 369	32
Accrued expenses and deferred income	10	1 307	2 399
Total current liabilities		**8 065**	**4 814**
TOTAL EQUITY AND LIABILITIES		**19 828**	**53 022**

Consolidated cash flow statement

Cash flow analysis TSEK	Note	**01/01/2025** **31/12/2025**	**01/01/2024** **31/12/2024**
Operating activities			
Operating profit/loss		-38 039	-19 203
Interest income		30	86
Interest expense		-2	-78
Cash flow from operating activities before changes in working capital		**-38 011**	**-19 195**
Cash flow from changes in working capital			
Changes in receivables		-2 051	2 908
Changes in current liabilities		3 251	6 109
Cash flow from operating activities		**-36 811**	**-10 178**
Financing activities			
New share issue		-	58 907
Reverse share split		-38	-
Cash flow from financing activities		**-38**	**58 907**
Cash flow for the year		**-35 861**	**48 729**
Liquid funds at the beginning of the year		50 612	1 883
Translation differences		1 604	-
Liquid funds at the end of the year		**15 367**	**50 612**

Parent Company income statement

Income statement		**01/01/2025**	**01/01/2024**
TSEK	Note	**31/12/2025**	**31/12/2024**
Operating income			
Net sales		1 740	2 268
		1 740	**2 268**
Operating expenses			
Consumables		-	-
Other external expenses	4	-4 850	-5 725
Personnel costs	5	-4 941	-5 208
Other operating expenses		-1 930	-
Operating profit/loss		**-9 981**	**-8 665**
Profit from financial items			
Profit/loss from shares in group companies	11	-163 288	-8 130
Other interest income and similar items	6	3	577
Interest expenses and similar items	7	-4	-490
Profit after financial items		**-173 270**	**-16 708**
Profit before tax		**-173 270**	**-16 708**
Profit or loss for the year		**-173 270**	**-16 708**

Parent Company balance sheet

Balance sheet TSEK	Note	**31/12/2025**	**31/12/2024**
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in group companies	12, 13	-	127 283
Receivables from group companies	14	-	12 143
Total fixed assets		**-**	**139 426**
Current assets			
Receivables			
Other receivables		161	226
Prepaid expenses and accrued income	8	287	359
		448	**585**
Cash and bank balance		13 724	47 315
Total current assets		**14 172**	**47 315**
TOTAL ASSETS		**14 172**	**187 326**

Parent Company balance sheet

Balance sheet	Note	**31/12/2025**	**31/12/2024**
TSEK			
EQUITY AND LIABILITIES			
EQUITY	9,15		
Restricted equity			
Share capital		5 871	5 871
		5 871	**5 871**
Non-restricted equity			
Share premium reserve		381 133	381 170
Accumulated profit or loss		-200 751	-184 043
Profit or loss for the year		-173 270	-16 708
		7 112	**180 419**
Total equity		**12 983**	**186 290**
Current liabilities			
Accounts payable		408	717
Other liabilities		66	32
Accrued expenses and deferred income	10	715	287
Total current liabilities		**1 189**	**1 036**
TOTAL EQUITY AND LIABILITES		**14 172**	**187 326**

Parent Company cash flow analysis

Cash flow analysis TSEK	Note	**01/01/2025** **31/12/2025**	**01/01/2024** **31/12/2024**
Operating activities			
Operating profit/loss		-9 981	-8 665
Interest received		3	577
Interest paid		-3	-490
Cash flow from operating activities before changes in working capital		**-9 981**	**-8 578**
Cash flow from changes in working capital			
Changes in current receivables		137	-64
Changes in accounts payable		153	6 288
Cash flow from operating activities		**-9 691**	**- 2 354**
Investing activities			
Investments in other financial fixed assets		-23 862	-10 489
Cash flow from investing activities		**-23 862**	**-10 489**
Financial activities			
New share issue		-	58 907
Reverse share split		-38	-
Cash flow from financing activities		**-38**	**58 907**
Cash flow for the year		**-33 591**	**46 064**
Liquid funds at the beginning of the year		**47 315**	**1 251**
Liquid funds at the end of the year		**13 724**	**47 315**

Notes

Note 1 Accounting and valuation principles

General Information
The annual report and the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Revenue Recognition
Revenue has been reported to the fair value of the consideration received or which is receivable and is recognized to the extent that it is probable that the economic benefits will incur to by the Company and when the revenue in question can be measured reliably.

Group financial statement
The legal formation of Biosergen Group during the second quarter of 2021 comprised transactions between entities that were under common control via the ultimate owners of Biosergen AS, (Registration No 987 622 075), incorporated in Trondheim, Norway. As these transactions are not covered by K3, a suitable accounting principle for the historical information has been applied in accordance with IAS 8. An established method, assessed as suitable for Biosergen Group, is to apply the previous carrying amount (predecessor basis of accounting), which is the principle applied in the preparation of these statements. In short, this entails that the assets and liabilities of the units forming part of the Biosergen Group have been aggregated and recognized based on the carrying amounts they represent in Biosergen AS consolidated financial statements as from the date they became part of the Biosergen Group. The legal formation of Biosergen took place on April 16, 2021, when Biosergen AB (publ) acquired all outstanding share in Biosergen AS for a total consideration of SEK 223 048 thousand, in the form of a promissory note, and an extraordinary general meeting of shareholders for the parent company Biosergen AB resolved to carry out an issue of new shares directed to the former shareholders of Biosergen AS. The combined financial statements are intended to present the historical financial information of Biosergen, and have been prepared under the historical cost convention, except as regards financial instruments at fair value. Financial information for the Parent Company, that had no operations until the preparations for Nasdaq First North listing commenced during the second quarter 2021, and the consolidated statements of Biosergen AS prepared in accordance with K3 for the years 2021 and 2020 have been combined, in order to provide meaningful and relevant information for all periods covered by the report.

Consolidation method
The Parent Company has acquired the subsidiary through a reverse acquisition. The consolidated financial statements have otherwise been prepared in accordance with the acquisition method. This implies that the identifiable assets and liabilities of acquired operations are reported at market value in accordance with the prepared acquisition analysis. If the acquisition value of the business exceeds the market value of the expected net assets according to the acquisition analysis, the difference is reported as goodwill.

Transactions between Group companies
Intra-Group receivables and liabilities as well as transactions between Group companies and unrealized gains are eliminated in their entirety. Unrealized losses are also eliminated unless the transaction corresponds to an impairment loss.

Changes in internal profit during the financial year have been eliminated in the consolidated income statement.

Translation of foreign subsidiaries
The financial statements of foreign subsidiaries has been recalculated according to the current exchange rate method. All items in the balance sheet have been translated at the closing day rate. All items in the income statement have been translated at the average exchange rate during the financial year. Differences that arise are reported directly in equity.

Financial instruments
Financial instruments are valued on the basis of the acquisition value. The instrument is reported in the balance sheet when the Company becomes a party to the contractual conditions. Financial assets are derecognized when the rights to receive cash flows from the instrument has expired or been transferred and the Company has transferred substantially all of the risks and rewards associated with ownership. Financial liabilities are derecognized when the obligations have been settled or otherwise terminated.

Shares in subsidiaries
Investments in subsidiaries are carried at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital contributions are added to the cost when they arise and an assessment is made as to whether an increase in value has occurred or whether the contribution should be expensed.

Intangible assets
Development costs
The Company reports internally generated intangible assets according to the capitalization model. The means that all expenses relating to the development of an internally generated intangible asset are expensed during the research phase and capitalized as an asset in the development phase. Expenses previously expensed are not included in the acquisition value of the capitalized asset. Capitalization takes place when the conditions stipulated in BFNAR 2012:1 are met. The asset is depreciated over its estimated useful life. The useful life of such an asset is reconsidered if it is deemed that there is a change in the useful life compared with the previous balance sheet date. Depreciation begins when the asset can be used.

Accounts receivables/current receivables
Accounts receivables and current receivables are reported as current assets in the amount expected to be paid after deduction of individually assessed impaired loans.

Loan-liabilities and account payables
Loan liabilities and accounts payables are recognized initially at cost after deduction of transaction costs. If the carrying amount differs from the amount that will be repaid at maturity date, the interest expense is accrued, the difference that over the term of the loan using the effective interest rate of the instrument. This is consistent with the due date of the carrying amount and the amount to be reimbursed.

Impairment of financial fixed assets
At each balance sheet consideration is given as to whether there are indications of impairment of financial fixed assets. An impairment loss seen to exist if the decline in value is considered to be permanent and the financial fixed assets are examined individually.

Income Taxes
Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are reported in equity.

Current tax
Current tax refers to income tax för the current financial year and that portion of the previous financial year´s income tax that has not yet been reported. Current tax is calculated on basis of the tax rate applying on balance sheet date.

Deferred tax
Deferred tax is the income tax relating to future financial years as a result of past events. The accounting is based on the balance sheet method. According to this method deferred tax liabilities and deferred tax assets on temporary differences arising between the tax base of recognized assets and liabilities and for the other tax credits or deficits are reported.

Deferred tax assets are offset against deferred tax liabilities if, and only if, they can be paid with a net amount. Deferred tax is calculated based on the applicable rate as at balance sheet date. Effects of changes in applicable tax rates are reported in the period in which the change comes into effect. Deferred tax assets are reported as financial fixed assets and deferred tax liabilities as a provision.

Deferred tax asset referring to tax losses or utilized tax credits are reported to the extent that it is probable that deductions can be offset against future taxable profits.

Due to the relationships between accounting and taxation, deferred tax liabilities attributable to untaxed reserves are not identified separately.

Employee Remuneration
Employee benefits refer to all types of benefits the Company provides to employees. Short-term employee benefits include wages, paid holidays, paid leave, bonuses and reimbursement upon completion of employment (pension) etc. Short-term employee benefits are reported as an expense and a liability when there is a legal or constructive obligation to pay compensation as a result of a past event, and a reliable estimate of the amount can be made.

Public Contributions
Government grants are reported at their fair value where applicable and when it is certain that the grant will be received, and when the Company will meet the conditions of the grant. Grants intended to cover investments in tangible or intangible fixed assets reduce the acquisition value of the assets and, therefore also their depreciable amount.

Cash and bank balance
The amount in Cash and bank balance is including a guarantee to Euroclear amounted to 50,000 SEK.

Cash Flow Analysis
The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions involving receipts or disbursements.

The Company classifies cash, in addition to cash on hand, as demand deposits at banks and other credit and short-term liquid investments that are listed on a marketplace and have a maturity of less than three months from acquisition date. Changes in restricted cash are reported in investing activities.

Definition of Key Business Ratios
Equity/assets ratio (%)

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total.

Note 2 Estimates and Judgments

Preparation of financial statements and application of accounting policies, are often based on assessments, estimates and assumptions that are considered to be reasonable at the time at which the assessment is made. Estimates are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The results of these are used to assess the carrying values of assets and liabilities, which are not otherwise apparent from other sources. The actual outcome may differ from these estimates. Estimates and assumptions are reviewed regularly.

Investments in subsidiaries are carried at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital contributions are added to the cost when they arise. The valuation is based on a future value. The board and the management assess the value of the subsidiaries´ shares on an ongoing basis during the financial year. This assessment includes that significant judgments are applied by management to conclude on the valuation.

No other significant sources of uncertainty in estimates and assumptions that at balance sheet date are considered to comprise a significant risk of a material adjustment to the carrying amounts of assets and liabilities during the next financial year.

Note 3 Other operating income

Group

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Other government grants	-	1 856
Exchange rate gains	-	84
	-	**1 940**

Note 4 Remuneration to Auditors

Group

Audit assignment refers to the audit of the annual financial statements as well as of the reports of the Board of Directors and the CEO, other tasks fulfilled by the Company´s auditor as well as advisory service or other assistance deriving from observations made in the course of the performance of the audit or fulfilment of such other tasks.

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
PwC		
Audit engagement	619	879
Other audit engagements separate from audit assignment	123	481
Tax advisory	0	0
Other services	0	0
	742	**1 360**

Parent company

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
PwC		
Audit engagement	350	879
Other audit engagements separate from audit assignment	0	481
Tax advisory	0	0
Other services	0	0
	350	**1 360**

Note 5 Employees and Personnel Costs

Group

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Average numbers of employees		
Women	1	1
Men	1	1
	2	**2**
Salaries and other remuneration		
Board of Directors and CEO	2 972	3 367
Other senior management	1 349	1 792
Other employees	388	-
	4 709	**5 159**
Social security contributions	**232**	**139**
Pension costs	**-**	**-**
Total salaries, remunerations, social security expenses and pension costs	**4 941**	**5 298**

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

2025 (Amounts in kSEK)	Base pay	Board fee	Variable-remuneration	Other benefits	Pension	Total
Members of the board						
Marianne Kock		300				300
Mattias Klintemar		200				200
Robert Molander		200				200
Anna Ljung		400				400
VD Tine Olesen	1 872					1 872
Other senior management	1 728					1 728
Total	**3 600**	**1 100**	**-**	**-**	**-**	**4 700**

2024 (Amounts in kSEK)	Base pay	Board fee	Variable-remuneration	Other benefits	Pens-ion	Total
Members of the board						
Marianne Kock		281				281
Achim Kaufhold		281				281
Henrik Moltke		281				281
Tortsen Rüdiger		450				450
Mattias Klintemar		281				281
CEO Tine Olesen *	1 657					1 657
CEO Peder Andersen **	135					135
Other Senior Management	1 792					1 792
Total	**3 584**	**1 574**	**-**	**-**	**-**	**5 159**

* CEO from 2024-02-01

** CEO tom. 2024-02-01

Parent Company

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Average numbers of employees		
Women	1	1
Men	1	1
	2	**2**
Salaries and other remuneration		
Board of Directors and CEO	2 972	3 367
Other senior management	1 349	1 792
Other employees	388	0
	4 709	**5 159**
Social security contributions	**232**	**139**
Pension costs	**-**	**-**
Total salaries, remunerations, social security expenses and pension costs	**4 941**	**5 298**

Note 6 Other interest income and similar profit/loss items

Group

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Other interest income	30	86
	30	**86**

Parent Company

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Interest income from Group companies	-	490
Other interest income and similar items	3	87
	3	**577**

Note 7 Interest expenses and similar profit/loss items

Group

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Other interest expenses	-4	-78
	-4	**-78**

Parent Company

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Other interest expenses	-4	-142
Exchange rate losses	-	-348
	-4	**-490**

Note 8 Prepaid expenses and accrued income

Group

	2025-12-31	2024-12-31
Accrued development grants	-	1 460
Prepaid insurance expenses	184	96
Other prepaid expenses	105	362
	289	**1 918**

Parent Company

	2025-12-31	2024-12-31
Other prepaid expenses	287	359
	287	**359**

Note 9 Numbers of shares and quota value

Parent Company

Biosergen AB	Numbers of Shares	Quota Value
Numbers of shares	2 348 232	2,50

Note 10 Accrued expenses and deferred income

Group

	2025-12-31	2024-12-31
Accrued vacation pay and salary	-	59
Accrued development expenses	-	1 558
Other accrued expenses	1 307	782
	1 307	**2 399**

Parent company

	2025-12-31	2024-12-31
Accrued vacation pay and salary	-	59
Accrued expenses	715	228
	715	**287**

Note 11 Profit from shares in group companies

Parent Company

	2025-12-31	2024-12-31
Impairment loss	-163 288	-8 130
	-163 288	**-8 130**

Note 12 Participations in Group companies

Parent Company

	2025-12-31	2024-12-31
Initial acquisition value	288 269	280 139
Capital increase through new share issue	36 005	8 130
Accumulated acquisition value, closing balance	**324 274**	**288 269**
Initial impairment losses	-160 986	-152 856
Impairment loss of the year	-163 288	-8 130
Accumulated impairment losses	**-324 274**	**-160 986**
Book value, closing balance	**-**	**127 283**

Note 13 Specification of Participation in Group Companies

Parent company

Name	Capital share	Shares votes	Book value
Biosergen AS	100	100	127,283
			127,283

	Corp. ID No.	Head Office
Biosergen AS	987 622 075	Trondheim, Norge
Indirectly owned subsidiaries:		
Select Pharma Pty Ltd	629 643 205	Southbank, Victoria, Australia

Note 14 Receivables from Group companies

Parent Company

	2025-12-31	2024-12-31
Initial acquisition value	12 143	9 784
Additional Claims	23 862	2 359
Outgoing receivables	-36 005	-
Reclassification	-	-
	-	**12 143**
	-	**12 143**

Note 15 Significant events after the end of the financial year

Group

On 5 April, the Company decided to pause the development project BSG005 in light of the continued challenging financing environment. To advance the project to the next phase, additional capital would be required.

The Company continues to explore opportunities to secure financing and is evaluating various strategic alternatives to best safeguard shareholder value in the current situation. These alternatives may include a sale of the BSG005 asset, a legal merger with another company, or a reverse takeover.

Should none of these alternatives be considered feasible on sufficiently attractive terms, the option of initiating a voluntary liquidation of the Company remains. The Company assesses that, given its current cash balance, it will be able to continue operations for less than twelve months without additional capital.

Statement by the Board of Directors and Executive Board

The Board of Directors and the Executive Board provide their assurance that the annual report provides a true and fair overview of the Parent Company's and the Group's operations, financial position, and results, and describes material the risks and uncertainties to which Parent Company and the companies in the Group are exposed.

The contents of the Annual Report were approved on 24 June 2026.

Stockholm, Sweden, on the day shown by our electronic signatures

Tine Olesen
CEO

Board of Directors

Anna Ljung
Chairman

Robert Molander

Marianne Kock

Mattias Klintemar

Our audit has been submitted on the day shown by our electronic signatures

Öhrlings PriceWaterhouseCoopers AB

Sebastian Ionescu
Authorized Public Accountant