Biosergen AB

Fogdevreten 2, 171 65 Solna

Registration no. 559304-1295

Annual Report

And

Consolidated financial statement

January 1, 2023 – December 31, 2023

Contents

CEO letter

Dear Shareholders,

During the first months of 2023 we completed our Phase I trial in Australia and demonstrated that we are on the right track with our compound. BSG005 did not exhibit any of the toxic properties commonly observed with antifungal drugs in thew polyene class. Most importantly, no signs of kidney damage were observed. This milestone positions us well to initiate our patient trials.

To support the ongoing development of BSG005 we entered an agreement with Alkem Laboratories Ltd. to co-develop BSG005. Alkem, a leading pharmaceutical company in India with extensive clinical development expertise, is an ideal partner as we navigate the rigorous journey of clinical trials. By partnering with Alkem, we can get a high number of patients into our trials, as Alkem has the experience of managing such trials in India, where the frequency of diagnosed severe fungal infections is amongst the highest in the world.

Pending regulatory approvals, Alkem will conduct the Phase 2 and Phase 3 trials required for BSG005 approval in India. Together, we aim to bring BSG005 to the Indian market, addressing the unmet medical need for a new effective antifungal treatment. Biosergen maintains the rights for commercializing BSG005 in the rest of the world, allowing us to advance the drug in other markets in parallel with the planned trial activities in India. Alkem will fund all phase 2 and 3 patient trials in India. This is expected to cover up to 70% of all patients required for a global regulatory approach. Alkem's investment in clinical development is expected be converted into Biosergen shares at the higher of i) 10x the share price at closing of the Agreement, or ii) a 50% premium of the share price at the dates of the conversions.

The deal with Alkem is a major advance and we look for further partnering of both commercial and manufacturing deals that may have major impact on reducing the need for further financing.

During the second half of 2023 we primarily focused on startup activities for the first clinical trial in patients. This included vendor selection to help executing the trial and completing our clinical trial application in collaboration with Alkem Laboratories, leading to filing with the Central Drugs Standard Control Organization (CDSCO) in India before the end of the year. The population included will have a high unmet medical need in terms of limited other treatment options. The trial will include 15 patients who are intolerant or resistant to treatment with Amphotericin B, patients who have failed on first line therapy or patients who have mild to moderate kidney impairment. The trial will be concluded in Q4 2024. Building on the findings from this study, Biosergen's long-term aim is to conduct targeted clinical trials outside of India, creating the necessary data for later regulatory filings in non-Indian key markets such as the US and EU.

In August when we conducted a successful financing round. More than 96% of holders of TO2 warrants chose to exercise their rights to purchase new shares in our company, including Östersjöstiftelsen, our largest shareholder. With full exercise guarantees provided by these investors, alongside our management team, we raised 5.5 million SEK before issuance costs.

In March 2024 we carried out a rights issue and raised 26.4 million SEK to finance the mission-critical activities. This funding together with a successful exercise of T03 warrants in the autumn 2024 will bring Biosergen close to the point where Alkem takes over the clinical trial cost in India.

As a final remark, a landmark paper was published in the prestigious medical journal The Lancet in January 2024. It shows that 6.5 mill patients have severe fungal infection and 2.5 mill die of their fungal disease regardless of any other underlying disease. It is a remarkedly increase compared to earlier numbers. It is truly alarming numbers, there is a major unmet medical need and there is a need for new antifungal therapies. This inspires us even harder to develop BSG005 for the benefit of the patients.

Sincerely,

Tine Olesen
CEO of Biosergen

OTHER INFORMATION

Business model

Biosergen is a clinical stage research and development biopharmaceutical company, who intends to employ its financial and organizational resources on developing and commercializing its unique clinical asset BSG005 into becoming the gold standard for antifungal therapy. The Company is developing BSG005 in collaboration with its academic partners and will be funded whenever possible through public grants from Norwegian, European, or other international sources. In time, the Company will establish limited sales and marketing infrastructure necessary to cover specific regions, first and foremost Europe and the United States, and otherwise form strategic partnerships with pharmaceutical and biotechnology companies when relevant to commercialize its products in the different regions of the world.

Strategic partnerships

In September 2023 Biosergen entered into a strategic partnership with the Indian multinational pharmaceutical company Alkem Laboratories Ltd ("Alkem").

Alkem is among the five largest pharmaceutical companies in India, and has more than 17,000 employees, with affiliates in the USA, Australia, UK, Germany, and many other emerging countries. Alkem is a leader in the anti-infective market, with clinical development expertise and an established commercial infrastructure. Moreover, Alkem has 144 ANDAs, two manufacturing sites and two R&D sites in the US market. Alkem, with its established clinical development engine and access to a broad clinical network, will prove to be a strong corporate partner for Biosergen. Alkem will manage the first clinical patient trial, which is expected to start immediately after the regulatory approval. The trial will enrol patients suffering from severe fungal infections such as mucormycosis (Black Fungus), aspergillosis, and candidiasis, who are intolerant or resistant to Amphotericin B, failing standard of care or have mild to moderate kidney impairment. Based on the safety and efficacy profile demonstrated in the preclinical studies and the phase I trials, BSG005 may provide a suitable treatment option for these patients. Once the clinical trials are successfully initiated in India, Biosergen and Alkem aim to expand its use for similar patient groups in the US and EU via pivotal trials. Alkem will invest in the clinical development of BSG005 by funding all clinical trials in India for local regulatory approvals and will be granted an exclusive license to market it in India. Alkem's investment in clinical development is expected to be converted into Biosergen shares at the higher of i) 10x the share price at closing of the Agreement, or ii) a 50% premium of the share price at the dates of the conversions. The share conversions shall take place as a staged investment with conversion at completion of the specific clinical studies. Any such issue of shares to Alkem would be resolved upon or authorized by a general meeting in Biosergen.

Patents

Biosergen has strong patent protection family in four regions, USA, EU, Japan, and China and other countries. The patents consist of both granted patents and patents under evaluation. It will cover the product until 2043.

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 5 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 5 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 II/III adaptive design. The patients to be included should have proven/probable invasive aspergillosis. The endpoint is all cause mortality after 6 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 are able to 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 like 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 mill people have life threatening fungal disease. The mortality rate attributable to fungal disease alone is 2.5 mill people in other words these are patients where the cause of death is fungal disease regardless of any other condition they may have[1]. It is an increase of 66% compared to earlier numbers published in 2017. One remarkable patient group that are included in the current numbers are patients with 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 (also known as 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 chronic obstructive lung disease, cancer patients, transplant recipients, people taking medications that weaken the immune system and not least, people 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 number of elderly patients 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*.

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

[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

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% 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% 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% of all sales of antifungal drugs are directed against the *Pneumocystis* pathogen.

Incidence and crude mortality for severe fungal infections compared[2]

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

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

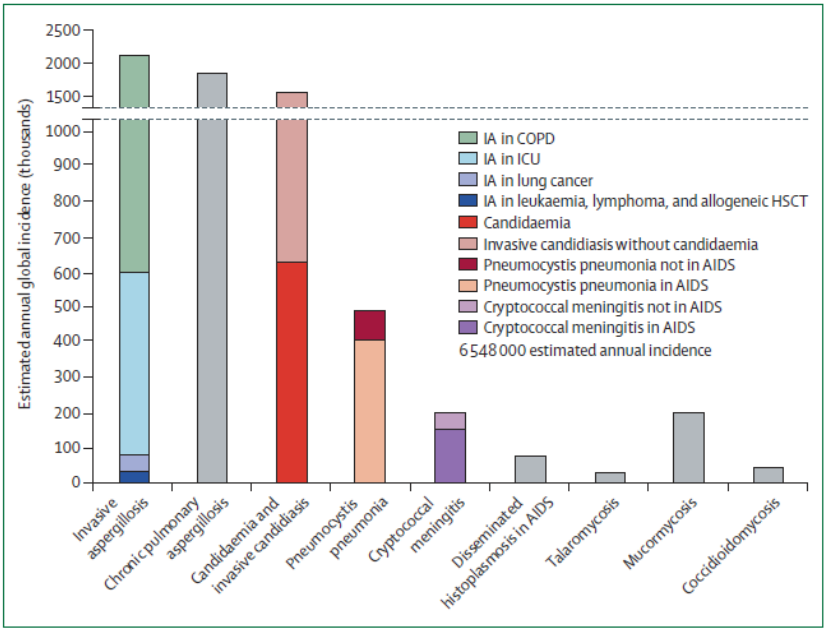


Figure 1: **Estimated annual incidence of life-threatening invasive mycoses, together with chronic pulmonary aspergillosis**

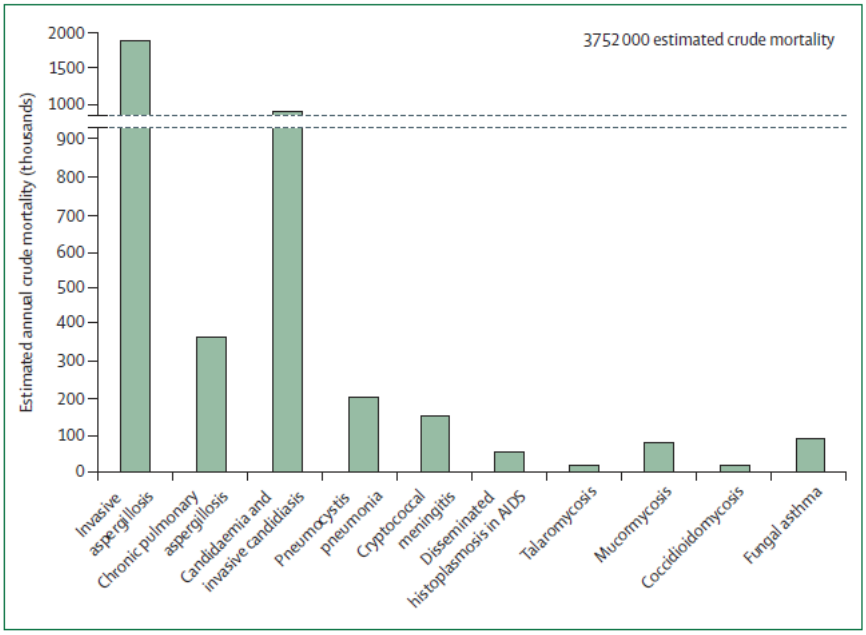


Figure 2: **Estimated crude mortality of severe fungal disease, worldwide**

The crude mortality is 3,75 mill 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 6-7% per year. Although most serious infections occur in the developing world, the United States and Europe make up approximately 70% 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 with at least similar efficacy compared to the parent compound. However, so far it has not been possible to eliminate nephrotoxicity as the main dose limiting side effect. This is the primary reason that the polyenes despite their effectiveness comprise only approximately 10% 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% 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% 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% of the market.

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

[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.

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 of the azoles are even used in industrial coatings and for timber preservation. All international public health organisations, including the WHO and the CDC (The United States Centre for Disease Control) as well as the European Commission recognises 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% 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 antifungal 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 marketed at a price premium. The market potential is large. The market share covered by Amphotericin B and lipid versions is about 450 M USD and the other products used in fungal infections is approximately 20 B USD. 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 are treatments 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 a large number of 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 needs 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.

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.

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

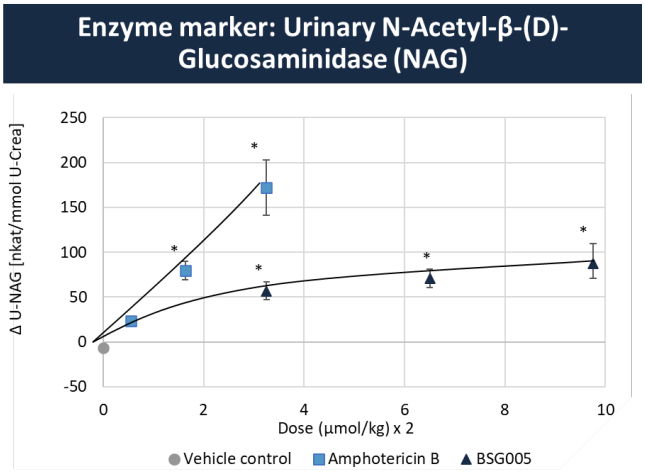
Environmental changes
There is increasing evidence that climate changes could result in an expansion of fungal diseases simply by increasing the geographical reach of certain species[7].

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 preclinical trials, BSG005 has shown up to three to four times higher potency than Amphotericin B at same dose levels. More importantly, 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



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 against Azole and Echinocandin resistant *Aspergillus* and *Candida* strains as well as multi resistant *Candida* auris. At similar 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, of three to four times. The Company is not aware of any other antifungal on the market or in development with a similar profile.

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.

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

Phase I clinical trial data for BSG005
These promising preclinical safety data were confirmed in the first-in-human Phase I clinical trial in 38 volunteers at the Nucleus Network phase I Unit in Melbourne, Australia. Topline data showed a satisfactory safety profile with no serious adverse events reported and no impact on kidney and liver function after BSG005 administration both as single infusions as well as after 7-days repeated IV infusions at multiple dose levels. The clinical phase 1 trial was a double-blinded, placebo-controlled study (randomised 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. The review of the data by the Safety Review Committee revealed that there were no major safety concerns.

All in all, data from both preclinical studies and the Phase I study show that BSG005 has a favorable and crucial differentiation from Amphotericin B, the drug with which BSG005 will most directly compete. The results from one of the preclinical tests are illustrated below.

CLINICAL DEVELOPMENT PROGRAM
The clinical program for BSG005 is designed to lead to the filing of an NDA (New Drug Application) for sales and marketing approval with the United States FDA (Food and Drug Administration) and EMA (European Medicines Agency) by Q2 2029.

Phase 1A in healthy subjects- Clinical safety
The first Phase 1 study was a double-blinded, placebo-controlled study to assess the safety, tolerability, and pharmacokinetics of BSG005 following single (“SAD”) and multiple ascending doses (“MAD”) in healthy subjects.

In total, 38 healthy subjects (randomized to 4 on active treatment and 2 on placebo per cohort) were included.

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.

No subject died or experienced any serious adverse event.

BSG005 was safe and well tolerated in healthy males and females. In particular, no impact at all on kidney function was observed.

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

Clinical Development Program in Patients
BSG005 has been shown to be safe with no indication of the key severe safety issues reported with the main competitor Amphotericin B. In addition, data on BSG005 has demonstrated that BSG005 is a broad-spectrum antifungal with fungicidal effect and thereby effective with very little risk of resistance formation to treatment.

To take the full advantage of the qualities of BSG005 the aim is to develop BSG005 for the treatment of systemic mycotic infections due to organisms susceptible to BSG005, such as cryptococcosis, disseminated candidiasis, coccidioidomycosis, aspergillosis, histoplasmosis, mucormycosis. This includes resistant and difficult to treat fungi as *Candida Auris* and resistant aspergillus. It should also include treating patients with mild to moderate renal impairment.

The clinical development plan is designed around the broad indication and the safety advantages. The below mentions the primary clinical studies.

First study in patients with invasive fungal infection, phase 1B
The first study in patients is designed to test the clinical profile of BSG005 as rescue therapy in patients where no effective alternative treatment options are available. Biosergen and the Company’s partner, Alkem Laboratories Limited (“Alkem”), have submitted a Clinical Trial Application to the Central Drugs Standard Control Organization (CDSCO) in India. The clinical trial is designed to address unmet medical needs in invasive fungal infections. The study focuses on patient populations intolerant or resistant to Amphotericin B, the current last-resort treatment for severe invasive fungal diseases, as well as those who have experienced treatment failure with first-line therapy. Additionally, patients with mild to moderate

kidney impairment, for whom Amphotericin B treatment is not feasible, will be included. These populations urgently require an alternative treatment option.

In total 15 patients will be included in the study. The first patient in the study is expected to be recruited in March 2024. The last patient last visit is planned for Q4 2024

This study is expected to form the basis for an Expanded Access program/Compassionate use program which could include patients represented in the first patient study.

Phase II/III clinical trial program
In general, Biosergen will take advantage of clinical study designs that recently have been tested and approved by FDA as a part of a development program. It is generally known in the industry that clinical development programs are expensive and take long time before the patients can benefit from new treatments. Therefore, the FDA has modernized their approach to clinical trial over the last 4 years. The modernization includes more agile trial designs, the use of modern technology and integrating the patients view more thoroughly. The latest guideline within this initiative was published June 2023 and it was later adopted by ICH.

Biosergen can benefit from two new trial designs that have precedence within the regulatory pathway and thereby save resources and time.

One of these designs is an adaptive design where phases II and III are integrated into one study. Using an adaptive design gives options for changes in design, such as an increase in number of patients based on ongoing evaluation of the data at predetermined timepoints. The second design is a basket study, this is common within oncology, and it has also been seen with new antifungal therapy in development. The advantage with a basket study is a bigger patient pool to recruit from, possibility to adjust the study during conduct and thereby optimize the resource use and in the end to offer even rare diseases a potential treatment.

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 exponential with late onset of adequate treatment. The ideal candidate in this setting is a broad-spectrum antifungal as BSG005.

BSG005 Nano and BSG005 Nano Oral
Several of the most serious fungal infections either start or become located in the lungs of the patient. Biosergen and the Nano Group at SINTEF have therefore started a project to develop a special Nano formulation of BSG005, the main purpose of which is to achieve a higher concentration of the drug in the lungs of the patients. The group aims to develop both a Nano IV and a Nano Oral formulation of BSG005. Other than the aforementioned ability to target the lungs specifically, an oral formulation opens up a number of new options. For instance, for prophylactic use or as follow-on treatments in the patient's own home after transplants or chemotherapy with an oral administration of BSG005 is very interesting due to the very broad activity against most of the fungal strains in question.

Future challenges
The company's main challenges primarily involve obtaining approval and all the unknown factors in execution of a clinical studies as recruitment speed, inclusion/exclusion criteria, dose finding, site non-performance etc that is required to further develop BSG005 to eventually bring it to market, as well as financing the studies beyond what is funded by the Rights Issue or Alkem.

The Board of Directors and the CEO of Biosergen AB hereby present the annual financial and Consolidated statement for the financial year 2023-01-01 – 2023-12-31.

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

DIRECTORS REPORT

About Biosergen

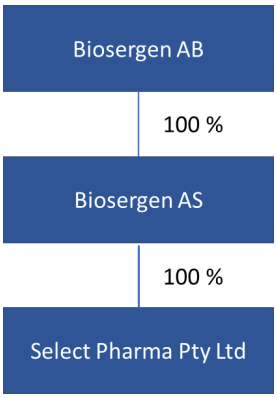
Vision and mission of the Company

Biosergen's mission is to develop BSG005, including any derivatives and novel formulations of this compound, into the new first line treatment choice for invasive fungal disease, to save thousands of lives every year while generating significant returns to the Company's shareholders.

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 its own commercial infrastructure and 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.



Shareholders

The table below presents shareholders with over 5% of the votes and capital in Biosergen AB on December 31, 2022.

Name	Number of shares	Percentage of voting right and capital (%)
ÖSTERSJÖSTIFTELSEN	22,799,419	44,98%
ROSETTA CAPITAL IV SARL	8,931,305	17,62%
Others	18,966,139	37,40%
	50,685,863	**100.00%**

The share

The shares of Biosergen AB were listed on Nasdaq Stockholm First North on June 24, 2021. The short name/ticker is BIOSGN.ST and the ISIN code is SE0016013460. Per December 31, 2023, the number of shares was 50,685,863. The average number of shares in The Company in 2023 was 44,926,539. 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 Board Members, employees, and key persons Biosergen has implemented two Warrant programs. Program 1 consisting of 1,219,423 warrants where each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of 1.06 SEK. Program 2 consisting of 669,144 warrants where each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of 10 SEK.

Subscription of shares with the support of warrants may take place no later than December 31, 2031.

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

Cash and cash equivalents at the end of the period amounted to SEK 1.9 million. In March 2024 the Company completed a Rights Issue. The proceeds SEK 26,4 million were paid into the Companys accounts in April. In order to continue to run the operations of the Company and to follow the planned development projects the Board and Management are working on various future models to secure the company's long-term capital requirement. If the company does not succeed in obtaining new financing this can significantly affect its continued operations. Considering the Rights Issue and the owner structure , the Board and management are optimistic regarding future financing opportunities. Cash flow of the year was minus 27 million SEK. Cash flow from financing activities totaled SEK 5 million

Employees

On December 31, 2023, the Company and the Group as well had three employees. The average number of employees during the year was 3.8.

Risk and uncertainty factors

A pharmaceutical development company such as Biosergen is exposed to operational and financial risk. Many factors can have a negative impact on the probability of commercial success. During the quarter no significant changes with respect to these risks or uncertainty factors have arisen.

HIGHLIGHTS DURING 2023

- December 12, Biosergen's Partner Alkem Laboratories Submits Clinical Trial Application for First Patient Study with BSG005 in Invasive Fungal Infections in India as a Rescue Therapy
- September 25, Biosergen and Alkem Laboratories Ltd collaborates to develop anti-infective for severe fungal infections.
- August 28, Warrants series TO2 were exercised to approximately 96.1 percent and Biosergen AB receives approximately SEK 5.5 million.
- August 16, Biosergen Receives Full Subscription Guarantees for Warrant Exercise from Largest Shareholders and Executive Management.
- August 7, Biosergen Announces Abstract Accepted for Presentation at the 11th Congress on Trends in Medical Mycology (TIMM-11).
- March 29, Biosergen provides Phase 2 clinical development strategy update.
- March 13, Positive topline data from phase 1 study of BSG005 shows it is safe and well tolerated. It gives hope for a change in the treatment paradigm of patients with invasive fungal infections.
- January 16, Biosergen completes the first Multiple Ascending Dose (MAD) cohort of BSG005 phase I trial.

HIGHLIGHTS AFTER THE PERIOD

- April 9, Biosergen resolves on a directed issue to underwriters in connection with the completed rights issue.
- March 26, Biosergen announces the outcome of the Rights Issue.
- February 12, Biosergen receives regulatory approval to test lead candidate BSG005 in patients with invasive fungal infection.
- January 30, Biosergen carries out a rights issue of units of approximately SEK 40.5 million, and secures bridge loan.
- January 12, Biosergen Announces Leadership Transition: Peder M. Andersen to Step Down as CEO, Tine Olesen Appointed as Successor.

CONSOLIDATED FINANCIAL HIGHLIGHTS AND RATIOS

Multi-year review (TSEK)

Group	**2023**	**2022**	**2021*)**	**2020**
Income statement				
Other operating income	9 378	5 183	8 573	4 432
Profit/loss before depreciation	-27 266	-34 129	-34 078	-6 226
Profit/loss before net financial items	-27 266	-34 129	-34 078	-6 226
Net financial items	229	81	-240	-498
Profit/Loss for the year	-27 037	-34 048	-34 318	-6 724
Balance sheet				
Cash	1 883	29 342	21 665	589
Balance sheet total	7 201	33 790	29 486	4 797
Equity	2 116	22 793	20 233	-10 924
Cash flow				
Cash flows from				
Operating activities	-32 603	-29 441	-37 749	-4 584
Financing activities	5 144	37 118	58 825	0
Key ratios				
Solvency (%)	29	67	68	neg
Earnings per share (SEK)	-0,53	-1,09	-1,22	0
Diluted earnings per share (SEK)	-0,53	-1,09	-1,22	0

Parent company	**2023**	**2022**	**2021**
Solvency (%)	99	99	100

For definitions and key ratios, see Accounting and valuation principles.

*) Biosergen AB was registered on February 26, 2021. For accounting purposes, the change of the ownership of Biosergen AS during the year is seen as an internal reorganization/restructuring and the rules of reverse acquisitions are applied. Consequently, Biosergen AS is to be seen as the parent company in the group in 2020. The 2020 comparative figures relate to Biosergen AS with its subsidiary Select Pharma Pty Ltd.

Change in Equity

Group	Share capital	Other equity incl. profit for	Total
Opening balance, Jan, 2023	**1 060**	**21 734**	**22 794**
New share issue	206	5 244	**5 450**
Emission cost		-153	**-153**
Exchange rate differences		1062	**1 062**
Profit/Loss för the year		-27 037	**-27 037**
Closing balance, Dec, 2023	**1266**	**850**	**2 116**

Parent company	Share capital	Share premium reserve	Accumulated profit or loss	Profit or loss for the year	Total
Opening balance, Jan, 2023	**1 060**	**315 322**	**-10 500**	**-142 478**	**163 404**
Disposition according to decision of this year´s AGM:					
Balanced in new account			-142 478	142 478	**0**
New share issue	207	5 244			**5 451**
Emission cost		-153			**-153**
Profit/loss for the year				-31 064	**-31 064**
Closing balance, Dec, 2023	**1 267**	**320 413**	**-152 978**	**-31 064**	**137 638**

Proposed appropriation of earnings

The Board of Directors proposes that the available funds:

Share premium reserve	320 413 540
Earnings brought forward	-152 978 603
Loss for the year	-31 064 081
	136 370 856
Be appropriated as follows:	
to be carried forward	136 370 856
	136 370 856

Consolidated income statement and statement of comprehensive income

Income statement TSEK	Note	**01/01/2023** **31/12/2023**	**01/01/2022** **31/12/2022**
Operating income			
Other operating income	3	9 378	5 183
		9 378	**5 183**
Operating expenses			
Consumables		-456	-280
Other external expenses	4	-25 725	-30 481
Personnel costs	5	-8 592	-7 808
Other operating expenses		-1 870	-742
		-36 643	**-39 312**
Operating profit/loss		**-27 265**	**-34 129**
Profit from financial items			
Other interest income and similar items	6	237	135
Interest expenses and similar items	7	-9	-54
		228	**81**
Profit after financial items		**-27 037**	**-34 048**
Profit before tax		**-27 037**	**-34 048**
Profit or loss for the year		**-27 037**	**-34 048**

Consolidated balance sheet

Balance sheet TSEK	Note	**31/12/2023**	**31/12/2022**
ASSETS			
Current assets			
Current receivables			
Other receivables		342	1 486
Prepaid expenses and accrued income	8	4 976	2 962
		5 318	**4 448**
Cash and bank balance		1 883	29 342
Total current assets		**7 201**	**33 790**
TOTAL ASSETS		**7 201**	**33 790**
EQUITY AND LIABILITIES			
Equity	9		
Share capital		1 266	1 060
Other equity including profit for the year		850	21 734
Equity attributable to the parent company´s shareholders		**2 116**	**22 793**
Total equity		**2 116**	**22 793**
Current liabilities			
Accounts payable		1 698	6 811
Other liabilities		128	183
Accrued expenses and deferred income	10	3 259	4 003
Total current liabilities		**5 085**	**10 997**
TOTAL EQUITY AND LIABILITIES		**7 201**	**33 790**

Consolidated cash flow analysis

Cash flow analysis TSEK	Note	**01/01/2023** **31/12/2023**	**01/01/2022** **31/12/2022**
Operating activities			
Operating profit/loss		-27 265	-34 129
Interest received		237	135
Interest paid		-9	-54
Cash flow from operating activities before changes in working capital		**-27 037**	**-34 048**
Cash flow from changes in working capital			
Changes in accounts receivable		0	24
Changes in current receivables		-870	3 349
Changes in accounts payable		-5 113	63
Changes in current liabilities		264	1 171
Cash flow from operating activities		**-32 756**	**-29 441**
Financing activities			
New share issue (Biosergen AS and Biosergen AB		5 297	37 118
Cash flow from financing activities		**5 297**	**37 118**
Cash flow for the year		**-27 459**	**7 677**
Liquid funds at the beginning of the year		**29 342**	**21 665**
Liquid funds at the end of the year		**1 883**	**29 342**

Parent Company income statement

Income statement		**2023-01-01**	**2022-01-01**
TSEK	Note	**2023-12-31**	**2022-12-31**
Operating income			
Net sales		4 725	3 508
		4 725	**3508**
Operating expenses			
Consumables		64	-203
Other external expenses	4	-7 030	-5 139
Personnel costs	5	-8 592	-7 761
Other operating expenses		0	0
		-15 558	**-13 102**
Operating profit/loss		**-10 833**	**-9 594**
Profit from financial items			
Profit/loss from shares in group companies	11	-19 429	-133 427
Other interest income and similar items	6	959	775
Interest expenses and similar items	7	-1 761	-233
		-20 231	**-132 884**
Profit after financial items		**-31 064**	**-142 478**
Profit before tax		**-31 064**	**-142 478**
Profit or loss for the year		**-31 064**	**-142 478**

Parent Company balance sheet

Balance sheet TSEK	Note	**31/12/2023**	**31/12/2022**
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in group companies	12, 13	127 283	127 283
Receivables from group companies	14	9 784	7 918
		137 067	**135 201**
Total fixed assets		**137 067**	**135 201**
Current assets			
Receivables			
Other receivables		226	698
Prepaid expenses and accrued income	8	295	343
		521	**1 041**
Cash and bank balance		1 251	28 956
Total current assets		**1 251**	**29 997**
TOTAL ASSETS		**138 839**	**165 198**

Parent Company balance sheet

Balance sheet TSEK	Note	**31/12/2023**	**31/12/2022**
EQUITY AND LIABILITIES			
EQUITY	9,15		
Restricted equity			
Share capital		1 267	1 060
		1 267	**1 060**
Non-restricted equity			
Share premium reserve		320 414	315 323
Accumulated profit or loss		-152 979	-10 500
Profit or loss for the year		-31 064	-142 478
		136 371	**162 344**
Total equity		**137 638**	**163 405**
Current liabilities			
Accounts payable		365	157
Other liabilities		190	182
Accrued expenses and deferred income	10	646	1 454
Total current liabilities		**1 201**	**1 793**
TOTAL EQUITY AND LIABILITES		**138 839**	**165 198**

Parent Company cash flow analysis

Cash flow analysis TSEK	Note	**01/01/2023** **31/12/2023**	**01/01/2022** **31/12/2022**
Operating activities			
Operating profit/loss		-10 833	-9 594
Interest received		958	775
Interest paid		-1 761	-233
Cash flow from operating activities before changes in working capital		**-11 636**	**-9 052**
Cash flow from changes in working capital			
Changes in current receivables		522	78
Changes in accounts payable		208	-256
Changes in other operating liabilities		-801	1 090
Cash flow from investment activities		**-11 707**	**-8 140**
Investing activities			
Investments in other financial fixed assets		-21 295	-16 783
Cash flow from investing activities		**-21 295**	**-16 783**
Financial activities			
New share issue		5 297	37 118
Cash flow from financing activities		**5 297**	**37 118**
Cash flow for the year		**-27 705**	**12 195**
Liquid funds at the beginning of the year		**28 956**	**16 761**
Liquid funds at the end of the year		**1 251**	**28 956**

Notes

Note 1 Accounting and valuation principles

General Information
The annual report and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (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 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

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Other government grants	9 008	4 507
Exchange rate gains	370	676
	9 378	**5 183**

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.

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
PwC		
Audit engagement	954	654
Other audit engagements separate from audit assignment	81	0
Tax advisory	67	0
Other services	0	207
	1 102	**861**

Parent company

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
PwC		
Audit engagement	729	389
Other audit engagements separate from audit assignment	34	0
Tax advisory	0	0
Other services	0	50
	763	**439**

Note 5 Employees and Personnel Costs

Group

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Average numbers of employees		
Women	2	1
Men	2	2
	4	**3**
Salaries and other remuneration		
Board of Directors and CEO	3 838	3 652
Other senior management	3 134	2 419
Other employees	1 427	1 272
	8 399	**7 343**
Social security contributions	187	168
Pension costs	0	0
Total salaries, remunerations, social security expenses and pension costs	**8 586**	**7 511**

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

2023 (Amounts in kSEK)	Base pay	Variable-remuneration	Other benefits	Pension	Total
Members of the board					
Marianne Kock	290				290
Achim Kaufhold	290				290
Henrik Moltke	290				290
Lena Degling Wikingsson (Jan-May)	298				298
Tortsen Goesh	463				463
Mattias Klintemar	297				297
Hanne Kristensen (Jan-May)	289				289
CEO Peder Andersen	1 620				1 620
Other Senior Management	3 134				3 134
Total	**6 972**	**0**	**0**	**0**	**6 972**

Parent Company

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Average numbers of employees		
Women	2	1
Men	2	2
	4	**3**
Salaries and other remuneration		
Board of Directors and CEO	3 838	3 652
Other senior management	3 134	2 419
Other employees	1 427	1 272
	8 399	**7 343**
Social security contributions	187	168
Pension costs	0	0
Total salaries, remunerations, social security expenses and pension costs	**8 586**	**7 511**

Note 6 Other interest income and similar profit/loss items

Group

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Other interest income	237	135
	237	**135**

Parent Company

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Interest income from Group companies	749	678
Other interest income and similar items	210	97
	959	**775**

Note 7 Interest expenses and similar profit/loss items

Group

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Other interest expenses	-9	-54
	-9	**-54**

Parent Company

	2023-01-01 -2023-12-31	2022-01-26 -2022-12-31
Other interest expenses	- 9	-53
Exchange rate losses	-1 672	-180
	- 1 761	**-233**

Note 8 Prepaid expenses and accrued income

Group

	2023-12-31	2022-12-31
Accrued development grants	4587	2 535
Prepaid insurance expenses	36	37
Other prepaid expenses	353	390
	4 976	**2 962**

Parent Company

	2023-12-31	2022-12-31
Other prepaid expenses	294	343
	294	**343**

Note 9 Numbers of shares and quota value

Group

	Numbers of shares	Ouota value
Biosergen AB		
Numbers of shares	50 685 863	0,025
	50 685 863	

Parent Company

	Numbers of Shares	Quota value
Biosergen AB		
Numbers of shares	50 685 863	0,025
	50 685 863	

Note 10 Accrued expenses and deferred income

Group

	2023-12-31	2022-12-31
Accrued vacation pay and salary	103	941
Accrued development expenses	2 471	2 217
Other accrued expenses	685	845
	3 259	**4 003**

Parent company

	2023-12-31	2022-12-31
Accrued vacation pay and salary	103	941
Accrued expenses	543	513
	646	**1 454**

Note 11 Profit from shares in group companies

Parent Company

	2023-12-31	2022-12-31
Impairment loss	-19 429	-133 427
	-19 429	**-133 427**

Note 12 Participations in Group companies

Parent Company

	2023-12-31	2022-12-31
Initial acquisition value	260 710	247 963
Reverse acquisition through non-cash issue	0	0
Capital increase through new share issue	19 429	12 746
Accumulated acquisition value, closing balance	**280 139**	**260 710**
Initial impairment losses	-133 427	0
Impairment loss of the year	-19 429	-133 427
Accumulated impairment losses	**-152 856**	**-133 427**
Book value, closing balance	**127 283**	**127 283**

Note 13 Specification of Participation in Group Companies

Parent company

Name	Capital share	Shares of 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

	2023-12-31	2022-12-31
Initial acquisition value	7 918	3 882
Accounts receivables	4 866	16 783
Less accounts receivable settled	0	0
Reclassifications	-3 000	-12 747
Accumulated acquisition value, closing balance	**9 784**	**7 918**
Book value, closing balance	**9 784**	**7 918**

Note 15 Proposed appropriation of earnings

Parent Company

	2023-12-31
Proposed appropriation of earnings	
The Board of Directors proposes that the available funds:	
Share premium reserve	320 413 540
Earnings brought forward	-152 978 603
Loss for the year	-31 064 081
	136 370 856
be appropriated as follows:	
to be carried forward	136 370 856
	136 370 856

Note 16 Significant events after the end of the financial year

Group

In order to continue to run operations of the company, and to follow the planned development projects, the management and the board are working on various future capital raising alternatives. If the company does not succeed in obtaining new financing, this can significantly affect its continued operations. The Board and management are optimistic about future financing opportunities.

- April 9, Biosergen resolves on a directed issue to underwriters in connection with the completed rights issue.
- March 26, Biosergen announces the outcome of the Rights Issue.
- February 12, Biosergen receives regulatory approval to test lead candidate BSG005 in patients with invasive fungal infection.
- January 30, Biosergen carries out a rights issue of units of approximately SEK 40.5 million, and secures bridge loan.
- January 12, Biosergen Announces Leadership Transition: Peder M. Andersen to Step Down as CEO, Tine Olesen Appointed as Successor.

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.

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

Executive Board

Tine Olesen
CEO

Board of Directors

Torsten Goesch Chairman	Achim Kaufhold	Marianne Kock
Henrik Moltke	Mattias Klintemar	

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

Öhrlings PriceWaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant