Biosergen AB

Fogdevreten 2, 171 65 Solna

Registration no. 559304-1295

Annual report
and
Consolidated financial statement
2022-01-01 – 2022-12-31

CEO letter

I am delighted to present the annual report for Biosergen, which summarizes our progress during the past year and up until today. It has been an eventful year for us, as we continue to make significant progress in the development of BSG005, our proprietary antifungal drug candidate.

In the first half of the year, we achieved significant milestones by successfully advancing a Single Ascending Dose escalation study in two cohorts of healthy volunteers. During the third quarter, we completed cohorts 3 and 4 in this part of our study and initiated enrollment of volunteers into the Multi Ascending Dose part of the trial. Last month, we reported the completion of enrollment of healthy volunteers into this second part of the study.

Thereby, Biosergen has reached a significant milestone as our Phase I trial is completed, and we now have "top line" data, showing that BSG005 is safe and does not possess the toxic properties, that are commonly observed with other polyene macrolide antifungal drugs, causing kidney damage and liver enzyme changes. The "top line" data also showed BSG005 to be well tolerated. These results are very important as pre-clinical data from mice models demonstrated, that BSG005's fungicidal effects are 3 – 5 times more potent than the current alternatives on the market. Similarly, our in vitro data has showed BSG005 to have a very broad fungicidal effect against most fungal strains including resistant and difficult to threat strains.

The next step for Biosergen is to initiate a Phase II trial in patients to show efficacy of BSG005 in invasive fungal infections. As we also published in our recent press releases, we are in an advanced stage in our preparations for the first Phase 2 trial in patients with difficult to threat invasive fungal infections and in need for polyene antifungal treatment. We have identified a Contract Research Organization (CRO) to work with us. We plan for a start of this trial in Q3 2023.

Looking at our financial development during 2022, we secured a robust financial foundation for our development activities. Through our rights issue completed in September, we raised more than SEK 42.9 million before issue costs, providing us with the necessary funding needed to finalize the Phase I trial and initiate our planned first Phase II trial. The accompanying TO2 warrants, issued in conjunction with the capital raise, were admitted to trading in September to be exercised in the autumn of 2023. During 2022 we also engaged Mangold Fondkommission as a liquidity provider to improve the trading conditions of our stock.

We are grateful for the support of our shareholders, which has enabled us to make such significant progress in 2022. We are excited about the prospect that BSG005 could potentially become the drug of first choice for the treatment of patients suffering from invasive fungal infections including infections where the exact fungal strain is not known.

We will continue to work hard to bring BSG005 to the market, and we look forward to sharing more news about our progress in the coming months.

Best regards,

Peder M. Andersen MD

CEO, Biosergen

Other information

Business model
Biosergen is a research and development biopharmaceutical company, meaning that the Company intends to employ most of its financial and organizational resources on research of all aspects of BSG005 to supply the best possible product and catalyze this into the clinical development. The Company's continuing research activities will be conducted in collaboration with its academic partners and will be sought 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.

Patents
Biosergen has strong patent protection in four regions, USA, EU, Japan, and China. The patents are composition of matter patents. In addition, Biosergen has received orphan drug protection in the USA.

Orphan drug status
In June 2021 Biosergen was granted orphan drug status for BSG005 with the FDA on the basis that less than 200,000 patients per year, with invasive aspergillosis in the United States, will be treated with the drug. With an orphan drug status, one of the benefits is guaranteed market exclusivity for a limited period after the drug is approved (currently 7 years in the United States and 10 years in the EU). Similarly, the United States Congress created GAIN in 2012 (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 may be designated as a qualified infectious disease product (QIDP) if it meets the criteria outlined in the statute, which the Company expect BSG005 will do. A drug that receives QIDP designation is eligible under the statute for fast-track designation and priority review, as well as additional market exclusivity (currently 5 years).

FUNGAL INFECTIONS

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.

It is estimated that fungal infections kill more than 1.5 million people every year[1] and the number of cases continues to increase[2]. The factors behind the increased incidence 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 cancer patients, transplant recipients, people taking medications that weaken the immune system and not least, people living with HIV/AIDS.[3] There have also been widespread use of antifungal drugs as an anti-mold in industry including agriculture and livestock productions.

Hospital acquired infection
Hospital-acquired infections (also known as nosocomial 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, more invasive medical procedures, ever busier medical staff, inadequate sanitation protocols and finally, the routine use of antifungal drugs in hospital settings that creates a selection pressure for the emergence of resistant strains.

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

[2] Kainz et al. Microbial Cell, June 2020

[3] Is 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

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.

INVASIVE FUNGAL INFECTIONS
Most invasive fungal infection-related serious illnesses and deaths are caused by four fungal pathogens: *Candida*, *Aspergillus*, *Cryptococcus* and *Pneumocystis*. But there are also other serious fungal infections such as Mucormycosis as recently seen in an epidemic in India in the middle of the Covid pandemic and Cryptococcus infections, where BSG005 has proven efficacy in vitro.

Candida
Candida is a yeast that causes infections in individuals with deficient immune systems. Systemic *Candida* infections of the bloodstream and major organs, particularly in immunocompromised patients, affect over 90,000 people a year in the United States alone. People with diabetes and HIV are particularly susceptible to Candidiasis. It is estimated that approximately 750,000 people worldwide develop invasive Candidiasis every year[4] and that more than half of all sales of antifungal drugs (52%) are directed against the *Candida* pathogen[5]

Aspergillus
Aspergillus cause aspergillosis which primarily develops in people with weakened immune systems or lung diseases. These fungi also cause allergic reactions. Types of aspergillosis include allergic bronchopulmonary aspergillosis and invasive aspergillosis, both of which conditions are potentially lethal. It is estimated that more than 300,000 people worldwide develop aspergillosis every year 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 200,000 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 500,000 people develop pneumocystis pneumonia every year and that less than 5% of all sales of antifungal drugs are directed against the *Pneumocystis* pathogen.

Mucormycetes
Mucormycetes, a group of molds that can be found in various environments including soil, decaying organic matter such as compost piles or rotten wood that can cause a serious fungal infection called Mucormycosis, currently also known as Black Fungus. The transmission of mucormycosis occurs when individuals come in contact with fungal spores present in the environment. Inhaling spores can result in lung or sinus infections, which primarily affect people with preexisting health conditions (such as diabetes) or those taking medications that suppress the immune system (such as steroids during covid 19 therapy). During the COVID-19 pandemic in India notable opportunistic mucormycosis infection outbreaks emerged leading to sharp increase in deaths.

Often, surgery is required to remove dead or infected tissue (black tissue), examples are removal of an eye or part of the upper jaw.

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

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

ANTIFUNGALS USED TODAY

The 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[6]. 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. 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. 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 are the newest class of antifungals, although they were in fact discovered in the 1970s. The Echinocandins are fungistatic, have a 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 were discovered in the 1970s. The Pyrimidines 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.

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.

[6] 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.

Multidrug resistance is an increasing problem
Fungi, like bacteria, can develop resistance when the 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 fungistatics, 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 industry including agricultural and livestock production. Certain of the 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[7].

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 invasive fungal infections is in the 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.

[7] 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[8].

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

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.

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.

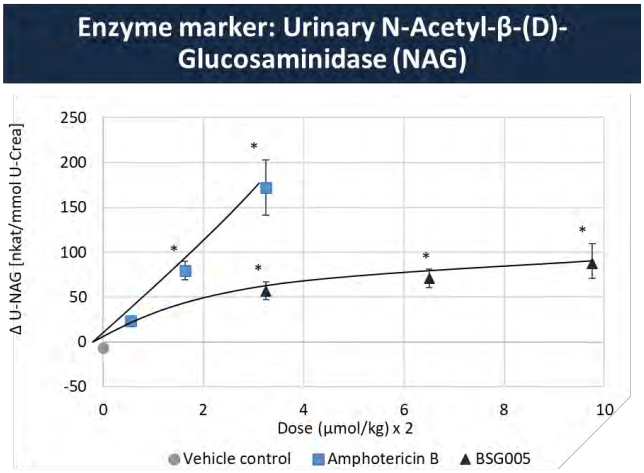
The *in vitro* testing of BSG005 against more than 200 different fungal strains has shown a fungicidal effect against most strains, including strains resistant to Azoles and Echinocandins. Preliminary data also shows a strong effect on the multi resistant Candida Auris. *In vivo* testing has revealed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

In summary, BSG005 has been shown to have a very broad spectrum of action, not least against the 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.

Perhaps most importantly, none of the tests have indicated a significant kidney toxicity potential, suggesting a favorable and crucial differentiation from Amphotericin B, the drug with which BSG005 will most directly compete. The results from one of the tests are illustrated below.

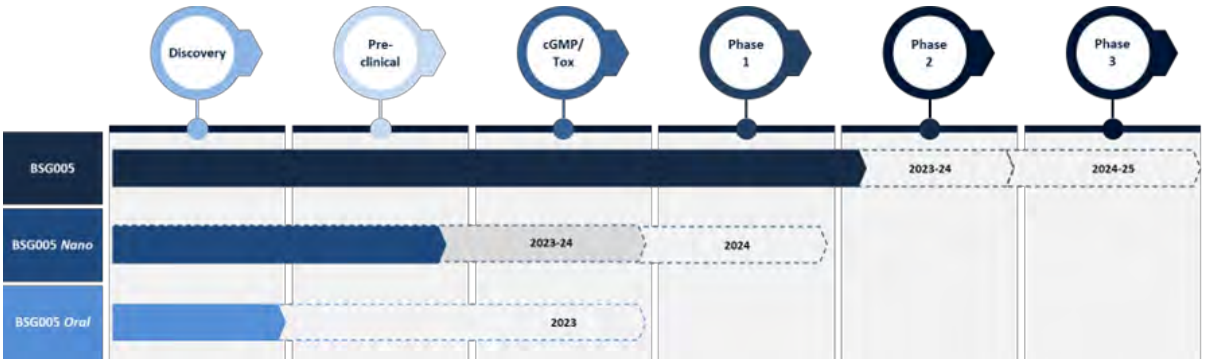
<u>BSG005 shows significantly less toxicity in the kidneys</u>



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.

DEVELOPMENT ACTIVITIES

Biosergen's research and development pipeline is built around formulations of BSG005. The most advanced formulation is intravenous, comparable to other treatment regimens for severe systemic fungal infections. BSG005 Nano is a novel nano formulation developed at SINTEF which specifically target the lungs where many systemic fungal infections are first established. BSG005 Oral is also a nano formulation. With BSG005 formulated as a pill, the versatility of the drug would greatly expand (for instance for follow up treatments in the patient's own home after surgery).



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) in multiple indications.

Phase I clinical trial
As previously mentioned, Biosergen has conducted a placebo-controlled, double-blinded study, enrolling 36 healthy adult male volunteers. The primary objective was to evaluate the safety and tolerability of BSG005 in a healthy adult volunteer population at increasing doses. The secondary objective was to assess the pharmacokinetics of BSG005 after single and multiple dosing in healthy subjects, to assess any plasma accumulation and the excretion of BSG005 in urine. An escalating 7-day dosing was included as a part 2 of this trial with the same objectives as the first single dose part. The review of the complete trial data set revealed that there were no serious safety issues reported and all laboratory data were OK with no impact on kidney and liver function at all, and that the BSG005 was measurable in plasma even at low dosing levels. These safety results from Phase 1 are key to the clinical development as the fungicidal effect of polyenes and BSG005 is well known.

Phase 2 clinical trial program
Biosergen's full phase 2 program consists of an initial multi-indication, open-label, single-center trial, with the purpose of proving BSG005 potency, as well as its superior safety profile when compared to Amphotericin B. In addition, this initial multi-indication trial will serve to significantly de-risk the further Phase 2 development of BSG005, and to increase the probability of attracting future non-dilutive funding.

Following data readout from the initial multi-indication trial, Biosergen expects to initiate single-indication registration-oriented Phase 2 clinical trials. The two main targets for registration-oriented Phase 2 trials remain to be mucormycosis indication and, the Aspergillosis indication for which Biosergen has Orphan Drug Designation in the US.

The multi-indication Phase 2A trial will be conducted at a site in India and is planned to start toward the end of Q2 2023 with the enrolment of the first patient shortly thereafter in early Q3 2023. The plan is to enroll a total of 15 patients suffering from invasive fungal infections, expected to include the infectious diseases the Company has previously highlighted as the candidates for registration-oriented Phase 2 trials: mucormycosis, aspergillosis, and later febrile, neutropenic patients with symptoms of invasive fungal disease. The key enrolment criteria for the first phase 2A trial is, that the patients are, or have been, undergoing treatment with an Amphotericin B antifungal product but, due to intolerability or toxicity of Amphotericin B, have been taken off this last resort treatment, and are left without any effective treatment options.

The trial design serves several purposes, including demonstrating that BSG005 could become a rescue treatment for a large group of patients with no treatment options due to the well-known severe side effects of Amphotericin B treatment, a global patient population with a high unmet medical need. In addition, the trial will serve to significantly de-risk the further Phase 2 development of BSG005 giving valuable information on effective dose level, treatment periods and safety at higher doses, and off course to increase the probability of attracting future non-dilutive funding. With the data from the initial multi-indication Phase 2A trial, Biosergen will be able to identify any significant indicative differences in the potency of BSG005 for the treatment of various invasive fungal infectious diseases. Such data will be valuable in qualifying the decision on what disease to initiate the Company's first subsequent registration-oriented single-indication Phase 2 trial and ensure an optimized trial design.

Additionally, having data from a human clinical trial verifying that BSG005 shows potency as a valuable treatment for specific patient populations, which globally currently does not have any real treatment options, could be a starting point for expanding this Phase 2A trial design to other countries and the initition of regulatory discussions on a real "Compassionate treatment approval" and make the way for early revenues from such a program.

Biosergen does not anticipate that the multi-indication Phase 2 trial will prompt a need for additional equity financing.

The plans for subsequent registration-orientated Phase 2 trials are to conduct 2, possibly 3, clinical trials within the following indication areas:

- Patients with invasive fungal infection in need for Amphotericin B treatment but who cannot tolerate Amphotericin B/Ambisome
- Patients with Mucormycosis
- Patients with Aspergillosis and possibly
- Neutropenic patients (low white blood cell count after chemotherapy) with clinical symptoms of invasive fungal infection, but with or without a diagnosis of the specific fungal strain

The specific plans for these trials, their time of initiation, any adaptive phase 2/3 design, the financing of them will be highly impacted by the data that will become available as the first multi-indication study is carried out and concluded.

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 lung target Nano IV and a Nano Oral formulation of BSG005. Other than the ability to target the lungs specifically, an oral formulation opens several new routes. For instance, for prophylactic use or as follow-on treatments in the patient's own home after transplants or chemotherapy. If successful, the new nano formulations of BSG005 may enter clinical trials during 2024/25.

The Board of Directors and the CEO for Biosergen AB hereby present the annual financial and consolidated statements for the financial year 2022-01-01 - 2022-12-31.

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

Director's report

Information about the business

About Biosergen

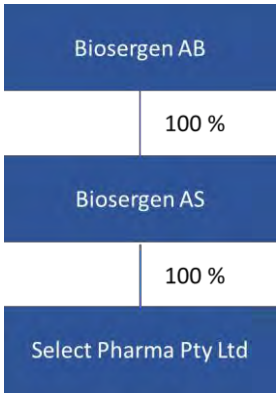
Vision and mission of the Company

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 over the next five years 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	18,799,417	44.3%
ROSETTA CAPITAL IV SARL	8,931,305	21.1%
Others	14,696,938	34.6%
	42,427,660	**100.0%**

The share
Biosergen AB has been listed on Nasdaq Stockholm First North Growth Market since June 24, 2021. The short name/ticker is BIOSGN.ST and the ISIN code is SE0016013460. Per December 31, 2022, the number of shares was 42,427,660. The average number of shares in The Company in 2022 was 31, 196,417. The Company has one class of shares. Every share entitles the same rights to The Company´s assets and results.

Warrants
As an incentive for Board Members, employees, and key person, Biosergen has implemented two Warrant programs. Program 1 consisting of 1,219,423 warrants where each granted warrant entitles the beneficiary the right to subscribe to one new share in the Company against payment of 1.06 SEK. Program 2 consisting of 669,144 warrants where each granted warrant entitles the beneficiary the right to subscribe to 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.

Investor warrants
A total of 8,595,531 investor warrants were granted to investors in conjuction with the subscription of Offer Units in the rights issued carried out in September 2022. One (1) warrant of series TO2 entitles subscription of one (1) new share in the Company. All Warrants were vested as per the grant date. The warrants can be exercised from and including August 14 up to and including August 25, 2023. A warrant entitles the warrant holder to subscribe to one new share in the Company at a subscription price corresponding to seventy (70) percent of the volume-weighted average price during a period of ten (10) trading days between July 28, 2023, and August 10, 2023, however never lower than the quota value and at a maximum of SEK 4.5 per share.

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 Stockholm, Sweden.

Capital resources and liquidity

Cash and cash equivalents at the end of the period amounted to SEK 29 million. The proceeds from the Rights issue in September, SEK 37 million, were paid into the company's account in October. 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. Considering the rights issue and the owner structure, the Board and management are optimistic regarding future financing opportunities. Cash flow for the year was SEK 8 million. Cash flow from financing activities totaled SEK 37 million.

Employees

On December 31, 2022, the Company had four employees. The average number of employees during the year amounts to three.

Future development, risk, and uncertainty factors

A pharmaceutical development company such as Biosergen is exposed to operational and financial risk. Biosergen's operational risk mainly consist of risks related to research and development, clinical trials and dependance on key employees. The risk to which the Company is exposed in its current phase and the risk that the necessary financing cannot be secured. Many factors can have a negative impact on the probability of commercial success.

Highlights during 2022

- April 7, the first subject has been dosed in the Phase 1 trial with BSG005.
- May 13, Biosergen successfully completes first cohort of BSG005 Phase 1 trial.
- June 30, Biosergen successfully completes second cohort of BSG005 phase 1 trial.
- August 26, Biosergen completes the third cohort of BSG005 Phase 1 trial.
- August 31, Biosergen receives a loan of SEK 7 million to finance continued development.
- September 2, Biosergen AB: Biosergen's Board of Directors decides on a rights issue of units of approximately SEK 60.2 million
- September 8, Biosergen moves into the MAD (Multiple Ascending Dose) part of its Phase 1 study after 4 cohorts were tested in the SAD (Single Ascending Dose) part of the study.
- October 4, Biosergen announces the outcome of the rights issue.
- December 12, the first volunteer has been dosed in the MAD part of the Phase 1 trial of BSG005.

Highlights after the period

- January 16, Biosergen completes the first Multiple Ascending Dose (MAD) cohort of BSG005 Phase 1 trial.
- March 13, Positive topline data from Phase 1 study of BSG005 shows it is safe and well tolerated. This gives hope for a change in the treatment paradigm of patients with invasive fungal infections.
- March 29, Biosergen provides Phase 2 clinical development strategy update.

CONSOLIDATED FINANCIAL HIGHLIGHTS AND RATIOS

Multi-year review (TSEK) **Group**	**2022**	**2021*)**	**2020**
Income statement			
Other operating income	5 183	8 573	4 432
Profit/loss before depreciation	-34 129	-34 078	-6 226
Profit/loss before net financial items	-34 129	-34 078	-6 226
Net financial items	81	-240	-498
Profit/Loss for the year	-34 048	-34 318	-6 724
Balance sheet			
Cash	29 342	21 665	589
Balance sheet total	33 790	29 486	4 797
Equity	22 793	20 233	-10 924
Cash flow			
Cash flows from			
Operating activities	-29 441	-37 749	-4 584
Financing activities	37 118	58 825	0
Key ratios			
Solvency (%)	67	68	neg
Earnings per share (SEK)	-1,09	-1,22	0,00
Diluted earnings per share (SEK)	-1,09	-1,22	0,00

Parent company	**2022**	**2021**
Solvency (%)	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 the year	Total
Opening balance, Jan, 2022	**702**	**19 531**	**20 233**
New share issue	351	41 801	**42 153**
New share issue	7	818	**825**
Emission cost		-5 859	**-5 859**
Exchange rate differences		-510	**-510**
Profit/Loss för the year		-34 048	**-34 048**
Closing balance, Dec, 2022	**1 060**	**21 734**	**22 793**

Parent company	Share-capital	Share premium reserve	Accumulated profit or loss	Profit or loss for the year	Total
Opening balance, Jan, 2022	**702**	**278 562**	**558**	**-11 058**	**268 764**
Disposition according to decision of this year´s AGM:					
Balanced in new account			-11 058	11 058	**0**
New share issue	351	41 801			**42 153**
New share issue	7	818			**825**
Emission cost		-5 859			**-5 859**
Profit/loss for the year				-142 478	**-142 478**
Closing balance, Dec, 2022	**1 060**	**315 322**	**-10 500**	**-142 478**	**163 405**

Proposed appropriation of earnings

The Board of Directors proposes that the available funds:

Share premium reserve	315 322 800
Earnings brought forward	-10 500 308
Loss for the year	-142 478 295
	162 344 197

Be appropriated as follows:	
to be carried forward	162 344 197
	162 344 197

The Group´s and the Parent Company´s earnings and financial positions in general are shown in the following income statements and balance sheets as well as in cash flow analyzes with accompanying Notes.

Consolidated income statement and statement of comprehensive income

Income statement TSEK	Note	**2022-01-01** **2022-12-31**	**2021-01-01** **2021-12-31**
Operating income			
Other operating income		5 183	8 573
		5 183	**8 573**
Operating expenses			
Consumables		-280	-178
Other external expenses	3	-30 481	-40 644
Personnel costs	4	-7 808	-1 457
Other operating expenses		-742	-372
		-39 312	**-42 651**
Operating profit/loss		**-34 129**	**-34 078**
Profit from financial items			
Other interest income and similar items	5	135	0
Interest expenses and similar items	6	-54	-240
		81	**-240**
Profit after financial items		**-34 048**	**-34 318**
Profit before tax		**-34 048**	**-34 318**
Profit or loss for the year		**-34 048**	**-34 318**

Consolidated balance sheet

Balance sheet TSEK	Note	**2022-12-31**	**2021-12-31**
ASSETS			
Current assets			
Current receivables			
Accounts receivable		0	24
Other receivables		1 486	3 150
Prepaid expenses and accrued income	7	2 962	4 647
		4 448	**7 821**
Cash and bank balance		29 342	21 665
Total current assets		**33 790**	**29 486**
TOTAL ASSETS		**33 790**	**29 486**
EQUITY AND LIABILITIES			
Equity	8		
Share capital		1 060	702
Other equity including profit for the year		21 734	19 531
Equity attributable to the parent company´s shareholders		**22 793**	**20 233**
Total equity		**22 793**	**20 233**
Current liabilities			
Accounts payable		6 811	6 748
Other liabilities		183	96
Accrued expenses and deferred income	9	4 003	2 410
Total current liabilities		**10 997**	**9 254**
TOTAL EQUITY AND LIABILITIES		**33 790**	**29 486**

Consolidated cash flow analysis

Cash flow analysis TSEK	Note	**2022-01-01** **2022-12-31**	**2021-01-01** **2021-12-31**
Operating activities			
Operating profit/loss		-34 129	-34 078
Net financial		81	-240
Cash flow from operating activities before changes in working capital		**-34 048**	**-34 318**
Cash flow from changes in working capital			
Changes in accounts receivable		24	0
Changes in current receivables		3 349	-3 729
Changes in accounts payable		63	1 630
Changes in current liabilities		1 171	-1 331
Cash flow from operating activities		**-29 441**	**-37 749**
Financing activities			
New share issue (Biosergen AS and Biosergen AB		37 118	58 825
Cash flow from financing activities		**37 118**	**58 825**
Cash flow for the year		**7 677**	**21 076**
Liquid funds at the beginning of the year		**21 665**	**589**
Liquid funds at the end of the year		**29 342**	**21 665**

Parent Company income statement

Income statement		**2022-01-01**	**2021-02-26**
TSEK	Note	**2022-12-31**	**2021-12-31**
			(11 months)
Operating income			
Net sales		3 508	590
		3508	**590**
Operating expenses			
Consumables		-203	-178
Other external expenses	3	-5 139	-10 293
Personnel costs	4	-7 761	-1 457
Other operating expenses		0	-40
		-13 102	**-11 968**
Operating profit/loss		**-9 594**	**-11 378**
Profit from financial items			
Profit/loss from shares in group companies	10	-133 427	0
Other interest income and similar items	5	775	403
Interest expenses and similar items	6	-233	-83
		-132 884	**320**
Profit after financial items		**-142 478**	**-11 058**
Profit before tax		**-142 478**	**-11 058**
Profit or loss for the year		**-142 478**	**-11 058**

Parent Company balance sheet

Balance sheet	Note	**2022-12-31**	**2021-12-31**
TSEK			
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in group companies	11, 12	127 283	247 963
Receivables from group companies	13	7 918	3 882
		135 201	**251 845**
Total fixed assets		**135 201**	**251 845**
Current assets			
Receivables			
Other receivables		698	843
Prepaid expenses and accrued income	7	343	276
		1 041	**1 119**
Cash and bank balance		28 956	16 761
Total current assets		**29 997**	**17 880**
TOTAL ASSETS		**165 198**	**269 725**

Parent Company balance sheet

Balance sheet	Note	**2022-12-31**	**2021-12-31**
TSEK			
EQUITY AND LIABILITIES			
EQUITY	8,14		
Restricted equity			
Share capital		1 060	703
		1 060	**703**
Non-restricted equity			
Share premium reserve		315 323	278 562
Accumulated profit or loss		-10 500	558
Profit or loss for the year		-142 478	-11 058
		162 344	**268 062**
Total equity		**163 405**	**268 765**
Current liabilities			
Accounts payable		157	413
Other liabilities		182	87
Accrued expenses and deferred income	9	1 454	460
Total current liabilities		**1 793**	**960**
TOTAL EQUITY AND LIABILITES		**165 198**	**269 725**

Parent Company cash flow analysis

Cash flow analysis TSEK	Note	**2022-01-01** **2022-12-31**	**2021-02-26** **2022-12-31** **(11 months)**
Operating activities			
Operating profit/loss		-9 594	-11 378
Interest received		775	403
Interest paid		-233	-83
Cash flow from operating activities before changes in working capital		**-9 052**	**-11 058**
Cash flow from changes in working capital			
Changes in current receivables		78	-1 119
Changes in accounts payable		-256	413
Changes in other operating liabilities		1090	548
Cash flow from investment activities		**-8 140**	**-11 216**
Investing activities			
Investments in other financial fixed assets		-16 783	-22 023
Cash flow from investing activities		**-16 783**	**-22 023**
Financial activities			
New share issue		37 118	50 000
Cash flow from financing activities		**37 118**	**50 000**
Cash flow for the year		**12 195**	**16 761**
Liquid funds at the beginning of the year		**16 761**	**0**
Liquid funds at the end of the year		**28 956**	**16 761**

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.

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 recognised 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 assessments

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.

No 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 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.

	2022-01-01 -2022-12-31	**2021-01-01 -2021-12-31**
PwC		
Audit engagement	654	565
Other services	207	534
	861	**1 099**

Parent company

	2022-01-01 -2022-12-31	**2021-02-26 -2021-12-31**
PwC		
Audit engagement	389	320
Other services	50	230
	439	**550**

Note 4 Employees and Personnel Costs

Group

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Average numbers of employees		
Women	1	1
Men	2	1
	3	**2**
Salaries and other remuneration		
Board of Directors and CEO	3 652	1 220
Other employees	3 691	205
	7 343	**1 425**
Total salaries, remunerations, social security expenses and pension costs	**7 343**	**1 425**

Parent Company

	2022-01-01 -2022-12-31	2021-02-26 -2021-12-31
Average numbers of employees		
Women	1	1
Men	2	1
	3	**2**
Salaries and other remuneration		
Board of Directors and CEO	3 652	1 220
Other employees	3 691	205
	7 343	**1 425**
Total salaries, remunerations, social security expenses and pension costs	**7 343**	**1 425**

Note 5 Other interest income and similar profit/loss items

Group

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Other interest income	135	0
	135	**0**

Parent Company

	2022-01-01 -2022-12-31	2021-02-26 -2021-12-31
Interest income from Group companies	378	403
Other interest income and similar items	397	0
	775	**403**

Note 6 Interest expenses and similar profit/loss items

Group

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Other interest expenses	-54	-240
	-54	**-240**

Parent Company

	2022-01-01 -2022-12-31	2021-02-26 -2021-12-31
Other interest expenses	-233	-82
	-233	**-82**

Note 7 Prepaid expenses and accrued income

Group

	2022-12-31	2021-12-31
Accrued development grants	2 535	4 294
Prepaid insurance expenses	37	37
Other prepaid expenses	390	316
	2 962	**4 647**

Parent Company

	2022-12-31	2021-12-31
Other prepaid expenses	343	276
	343	**276**

Note 8 Numbers of shares and quota value

Group

	Numbers of shares	Ouota value
Biosergen AB		
Numbers of shares	42 427 660	0,025
	42 427 660	

Parent Company

	Numbers of Shares	Quota value
Biosergen AB		
Numbers of shares	42 427 660	0,025
	42 427 660	

Note 9 Accrued expenses and deferred income

Group

	2022-12-31	2021-12-31
Accrued vacation pay and salary	941	28
Accrued development expenses	2 217	1 648
Other accrued expenses	845	734
	4 003	**2 410**

Parent company

	2022-12-31	2021-12-31
Accrued vacation pay and salary	941	28
Accrued expenses	513	432
	1 454	**460**

Note 10 Profit from shares in group companies

Parent Company

	2022-12-31	2021-12-31
Impairment loss	-133 427	0
	-133 427	**0**

Note 11 Participations in Group companies

Parent Company

	2022-12-31	2021-12-31
Initial acquisition value	247 963	0
Reverse acquisition through non-cash issue	0	223 048
Capital increase through new share issue	12 746	24 915
Accumulated acquisition value, closing balance	**260 710**	**247 963**
Impairment loss of the year	-133 427	0
Accumulated impairment losses	**-133 427**	**0**
Book value, closing balance	**127 283**	**247 963**

Note 12 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 13 Receivables from Group companies

Parent Company

	2022-12-31	2021-12-31
Initial acquisition value	3 882	0
Accounts receivables	16 783	32 467
Less accounts receivable settled	0	-3 670
Reclassifications	-12 747	-24 915
Accumulated acquisition value, closing balance	**7 918**	**3 882**
Book value, closing balance	**7 918**	**3 882**

Note 14 Proposed appropriation of earnings

Parent Company

	2022-12-31
Proposed appropriation of earnings	
The Board of Directors proposes that the available funds:	
Share premium reserve	315 322 800
Earnings brought forward	-10 500 308
Loss for the year	-142 478 925
	162 344 197
be appropriated as follows:	
to be carried forward	162 344 197
	162 344 197

Note 15 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.

- January 16, Biosergen completes the first Multiple Ascending Dose (MAD) cohort of BSG005 Phase 1 trial.
- March 13, Positive topline data from Phase 1 study of BSG005 shows it is safe and well tolerated. This gives hope for a change in the treatment paradigm of patients with invasive fungal infections.
- March 29, Biosergen provides Phase 2 clinical development strategy update.

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

Peder M. Andersen
CEO

Board of Directors

Torsten Goesch Chairman	Achim Kaufhold	Hanne Mette Dyrlie Kristensen
Henrik Moltke	Lena Degling Wikingsson	Marianne Kock
Mattias Klintemar		

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

Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant