ANNUAL REPORT 2024

BIOVERSYS

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BIOVERSYS AT A GLANCE

BioVersys AG (SIX: BIOV) is a multi-asset, clinical stage biopharmaceutical company focused on identifying, developing and commercializing novel antibacterial products for serious life-threatening infections caused by multi-drug resistant ("MDR") bacteria. Derived from the company's two internal technology platforms (TRIC and Ansamycin Chemistry), candidates are designed and developed to overcome resistance mechanisms, block virulence production and directly affect the pathogenesis of harmful bacteria towards the identification of new treatment options in the antimicrobial and microbiome fields. This enables BioVersys to address the high unmet medical need for new treatments against life-threatening resistant bacterial infections and bacteria-exacerbated chronic inflammatory microbiome disorders. The company's most advanced research and development programs address nosocomial infections of Acinetobacter baumannii (BV100, Phase 3 ready), and tuberculosis (alpibectir, Phase 2a, in collaboration with GlaxoSmithKline (GSK) and a consortium of the University of Lille, France). BioVersys is located in the biotech hub of Basel, Switzerland.

HIGHLIGHTS AND KEY FIGURES FULL YEAR 2024

- BV100: Phase 2 VABP clinical trial showed strong signs of efficacy by halving the mortality rate in critically ill patients suffering from carbapenem resistant *Acinetobacter baumannii* infections compared to best available therapy. Besides the strong efficacy, BV100 was also considered generally safe and well tolerated. In Part B of the Phase 2 trial, BV100 also proved effective in patients suffering from totally drug-resistant infections.

- Additional trials for BV100: A Phase 1 trial in patients with hepatic impairment and a bronchoalveolar lavage (BAL) study were completed in 2024, confirming the positive read outs of the 5 earlier Phase 1 studies that were already completed. Based on the different Phase 1 trial data, BV100 is generally safe and well tolerated. We believe the data suggests that BV100 does not require any dose adjustments for special patient populations such as renally or hepatic impaired patients and BV100 has no strong potential for drug-drug-interactions and BV100 shows very high drug concentrations in the epithelial lining fluid (ELF) of the lung.

- Alpibectir: The Phase 2a EBA study was completed in 2024. Alpibectir has delivered a very strong proof of concept in humans, by potentiating the efficacy of Ethionamide at all doses tested. Alpibectir is generally well tolerated and safe.

- BV200: we identified a topical formulation for our lead compound with good stability and an anticipated shelf life of 2 years.

- BV500: Lead optimization progressed very well, and further pre-clinical studies continued to confirm the best-in-class potential for BV500 on NTM related diseases.

- Financial: In our Series C financing round we raised approximately CHF 15 million in 2024 and conducted successfully our IPO on the SIX Swiss Exchange on February 7, 2025, raising CHF 76.7 million.

- BioVersys incorporated a Chinese subsidiary and secured USD 6 million investment from GIBF.

Outlook:

- Initiation of BV100 clinical Phase 3 program
- Conduct of a small Phase 1 study in Chinese participants for BV100
- Initiation of additional Phase 2 studies in pulmonary and meningeal Tuberculosis for alpibectir
- Additional pre-clinical data for BV200 and BV500

Key figures [1]
CHF million

Profit and Loss	**31.12.2024**	**31.12.2023**
Other operating income	1.2	1.1
Research and development expenses	(12.9)	(14.8)
General and administrative expenses	(7.0)	(4.0)
Net loss	(18.7)	(18.3)
Average net cash burn [2]	(1.3)	(1.0)
Number of FTE	27	23

Balance Sheet	**31.12.2024**	**31.12.2023**
Cash and cash equivalents	26.6	24.4
Total assets	35.0	34.2
Total equity	10.7	8.6
Equity ratio	31%	25%

Share information	**31.12.2024**	**31.12.2023**
Share capital	3.7	3.1
Number of registered shares issued	3,692,285	3,059,242
Nominal value per registered share (in CHF)	1.0	1.0

1) Based on the consolidated IFRS Financial Statements
2) The average net cash burn represents the average monthly cash used for operating activities

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S LETTER

Dr. Marc Gitzinger Chief Executive Officer

Dr. Seng Chin Mah Chairman

Dear shareholders,

2024 was a truly transformative year for BioVersys. We made significant progress in developing our two lead assets, BV100 and alpibectir, both delivering strong signs of clinical efficacy and good safety profiles in their respective Phase 2 clinical trials. BV100 was assessed in critically ill patients suffering from ventilator associated bacterial pneumonia (VABP) caused by carbapenem resistant *Acinetobacter baumannii* and was able to halve the mortality in comparison with the control group of best available therapy. Such strong clinical results confirmed the belief that our products are high value assets in the fight against anti-microbial resistance (AMR) and must be developed fully in order to benefit patients in need eventually. We were also able to progress our earlier stage pipeline with BV200 and BV500 in their preclinical development.

On the back of the very good news from our pipeline, we also managed to achieve important milestones for the financing of the company. In 2024, we raised approx. CHF 20 million, CHF 15 million as part of our Series C extension onboarding our long-term partner GSK as investor and a USD 6 million strategic investment from GIBF (Guangzhou Israeli Biotech Fund). The financing was also supported by many of our existing shareholders, such as the AMR Action Fund. Finally, the combination of the strong Phase 2 data from our clinical development programs and the financing success resulted in the successful IPO on the SIX Swiss Exchange on February 7, 2025. In times in which financing of biotech companies and the IPO market remain challenging, BioVersys managed to conduct the first IPO

of a biotech company in Switzerland in 7 years and the largest in 5 years on any European exchange. This achievement is testament to very robust clinical data and a strong team at BioVersys.

With the proceeds of the IPO, we will now take BV100 into a Phase 3 development program addressing a top priority bacterial pathogen (*Acinetobacter baumannii)* from the WHO and the US CDC lists, continue the clinical development of alpibectir and advance the early-stage programs of our pipeline as well.

We remain focused on developing innovative solutions for the most severe bacterial infections that have either limited or no treatment options left due to antibiotic resistance. We will continue to engage with industry alliances working with global leaders towards a sustainable policy framework ensuring adequate reimbursement and access mechanisms for novel antibiotics.

For 2025, we can look forward to another exciting year with the initiation of our first global Phase 3 registration trial for BV100, progressing alpibectir into meningeal tuberculosis and achieving further milestones in our early-stage pipeline.

We are grateful to our shareholders, our partners and our incredible team at BioVersys that works tirelessly at generating stakeholder value. Together we will shape the future of BioVersys and positively impact AMR.

Basel, March 25, 2025

Dr. Marc Gitzinger

Dr. Seng Chin Mah

PORTFOLIO AND PIPELINE

BioVersys is developing a pipeline of antibacterial drugs with first-in-class and best-in-class potential addressing some of the world's largest unmet medical needs. Our two Phase 2 assets, BV100 and alpibectir, are small molecules derived from our two in-house technology platforms, the TRIC technology platform and the Ansamycin Discovery platform. BV100 and alpibectir have both successfully completed Phase 2 trials for the treatment of life-threatening bacterial infections identified by the World Health Organization (WHO) and the US Centers for Disease Control and Prevention (CDC) as priority pathogens.

Our preclinical pipeline programs, BV200 and BV500, follow in the footsteps of our two lead assets by also targeting high unmet medical need bacterial pathogens.

Pipeline

program	indication	R&D/ preclinical	Phase 1	Phase 2	Phase 3	Expected key catalist	Commercial rights	FDA QIDP designation
BV100 *Novel MoA* *Rifabutin IV form.* ***Ansamycin platform***	Hospital infections *Acinobacter baumanii* (VABP/HABP & BSI)					Phase 3 FPFV: H2 2025	✓	✓ QIDP
Alpibectir *New Antibiotic Class* *Eto-potentiator* ***TRIC platform***	Tuberculosis - MDR - TB meningitis					TBM Phase 2b: H2 2025 Pulmonary TB Phase 2a/b: H1 2025	✓ gsk	✓ QIDP orphan drug
BV200 *Anti-virulence* ***TRIC platform***	Atopic dermatitis *Staphylococcus aureus*					IND Filing: H1 2027	✓	
BV500 ***Ansamycin platform***	CF and COPD: Non-tuberculous mycobacteria infection					IND Filing: H2 2026	✓	
BV discovery	Targets undisclosed						✓	

Figure 1: company pipeline

BV100 (rifabutin for infusion) for carbapenem-resistant *Acinetobacter baumannii* infections

BV100 (rifabutin for infusion) is the first within its chemical class to show significant activity at drug concentrations suitable for human therapy against *A. baumannii* and we believe it has the potential to become the best-in-class product for the treatment of severe life-threatening hospital infections caused by *A. baumannii*, in particular for carbapenem-resistant and MDR strains. CRAB has been designated as a priority 1-critical pathogen by WHO and is therefore an urgent threat, which causes healthcare-associated infections and is one of the most antibiotic-resistant pathogens in human medicine.

We identified a novel mode of action by which rifabutin, a well-known and already approved active pharmaceutical ingredient ("API"), is actively transported into the *A. baumannii* cell thereby increasing the concentration of the drug in the cell. Unlike other antibiotics, rifabutin specifically interacts with an outer membrane receptor of *A. baumannii*, called FhuE and activates this receptor to promote its own entry into the bacterial cell. This allows rifabutin to achieve high intracellular concentrations and exhibit its bactericidal activity by inhibiting the bacterial RNA polymerase B.

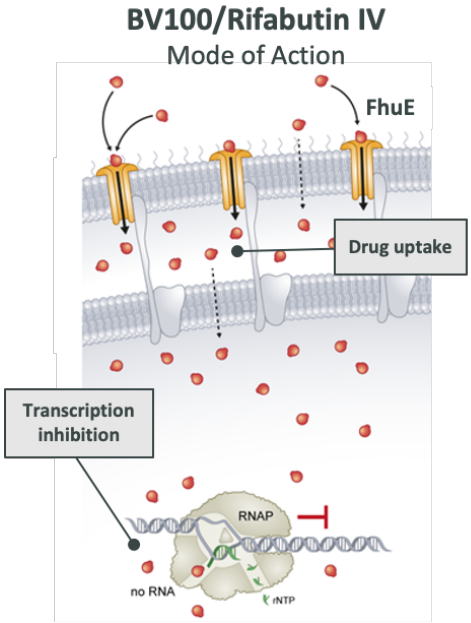

Figure 2. Specific mechanism of action of rifabutin against Acinetobacter baumannii. In physiological conditions, rifabutin (red dots) is recognized and actively transported by the siderophore receptor FhuE across the outer membrane of A. baumannii, resulting in high rifabutin intracellular concentrations and potent RNA of rifabutin compared to Spolymerase (RNAP) inhibition.

We developed the first human suitable intravenous formulation of rifabutin allowing sufficient exposure of rifabutin to effectively treat infections caused by *A. baumannii,* including CRAB. The proprietary intravenous formulation of rifabutin (BV100), compared to the oral administration, allows for efficacy against *A. baumannii* by ensuring appropriate and consistent exposures of rifabutin in the bloodstream.

Over the last few decades, overall resistance against carbapenem antibiotics in *A. baumannii* has increased to over 50%, including a 40-50% resistance rate in the US, over 70% in Southern and Eastern Europe and 60-70% in China. The number of life-threatening infections caused by *A. baumannii* is estimated at c. 215,000 per year in the major markets and over 2.5 million per year in China and the emerging markets. The impact of these infection rates and carbapenem resistance rates on patients and the healthcare systems is important. Pneumonia and blood stream infections (BSI) caused by carbapenem-resistant *Acinetobacter baumannii* are associated with mortality rates approaching 50% and an average of 19 days spent in ICU at an estimated cost of $200,000 per patient in the US.

Clinical development

BV100 has successfully completed dosing in seven Phase 1 clinical studies (single ascending – and multiple ascending dose study, two drug-drug interaction studies, renal - and hepatic impairment (HI; NCT05537142) study and a bronchoalveolar lavage study (BAL; NCT05684705)). In 2024, the HI and BAL studies were completed and confirmed the good safety profile of BV100 also confirming that no dose adjustments are expected for patients with hepatic impairment and confirming very high exposures within the lung epithelial lining fluid (ELF) for BV100.

At the end of 2024, BioVersys completed a Phase 2 clinical study in ventilator-associated bacterial pneumonia (VABP) patients with infections from CRAB (NCT05685615). The primary endpoint of the trial was the pharmacokinetic of BV100 in VABP patients. The main secondary endpoints were 14- and 28-day all-cause mortality (ACM) and clinical cure at test of cure. Part B of the study included

patients who had either failed previous treatment or had infections with CRAB isolates which are polymyxin resistant. Part B was a rescue study to show the effect of BV100 in a severely ill population with no treatment options.

In Part A, the trial recruited 31 patients (21 in 2 doses of BV100 treatment arms and 10 in the control arm using best available therapy (BAT)). In addition, the trial recruited 8 patients receiving at least one dose of BV100 in Part B. The results from the Phase 2 trial demonstrated that BV100 is generally considered safe and well tolerated in this critically ill population with no treatment-related adverse events or serious adverse events attributed with BV100. The study also provided strong signs of efficacy for BV100. Specifically, a death rate at 14 days 30.5% pts lower than the best available treatment or a 76.25% relative risk reduction, and a death rate at 28 days 31.5% pts lower than the best available treatment or a 52.5% relative risk reduction. Moreover, the BV100 arms tended towards a more favorable microbiological and clinical cure at test of cure (7 ± 2 days after end of treatment) in the micro-CRMITT which is the primary efficacy population. The microbiological response defined as eradication or presumed eradication at test of cure was 75% in the combined BV100 arms vs 50% in the BAT arm. The clinical cure at test of cure was 75% in combined the BV100 arms vs 30% in the BAT arm, showing a good clinical benefit of BV100.

In Part B, from the 8 patients receiving at least 1 dose of BV100, 7 were considered evaluable for efficacy. From this, 6 patients were evaluable at ToC (1 patient did not have a ToC visit) and 4 were considered clinically cured. 7 patients were evaluable for survival at end of study and 4 survived. In this small group, 4 patients survived whereas 3 patients passed away, of which none was related to the CRAB infection or to BV100.

BV100 was granted QIDP[1] designation for HABP[2], VABP[3] and BSI[4] by the FDA in 2019, which allows for a priority review and five additional years of exclusivity in the US (i.e. extending exclusivity until 2045, beyond the current patent expiry in 2040).

Based on the Phase 2 data, BioVersys plans to advance BV100 into a Phase 3 registration program in the US, Europe and China, with first patient first visit expected in H2 2025 and first data due by mid-2027. We believe the efficacy data from the Phase 3 program should be sufficient to support the submission of new drug applications to regulators in the US, Europe and China.

To help develop BV100 in China, BioVersys partnered with the Guangzhou-Israel Biotechnology Fund (GIBF), receiving an investment from GIBF of USD 6 million for the purpose of conducting a small Phase 1 study in China. This is a necessary step to onboard China to the Company's global Phase 3 clinical trial and we expect to start dosing the first patient in the Phase 1 study in 2025.

In addition, we are planning a Phase 2b study to run in parallel of the Phase 3 to enable a differentiation of BV100 in patients with infections due to CRAB or pan-drug resistant (PDR) organisms in comparison with best available therapy. We expect the Phase 2b study will support physicians and payors in better understanding the benefits and clinical utility of BV100 compared to current therapies.

[1] Qualified Infectious Disease Product Designation

[2] Hospital-Acquired Bacterial Pneumonias

[3] Ventilator-Associated Bacterial Pneumonias

[4] Bloodstream Infection

Alpibectir in Pulmonary and Meningeal Tuberculosis

Alpibectir (also known as BVL-GSK098) is our second lead asset, partnered with GSK and, to our knowledge, the first small molecule in human clinical trials targeting bacterial transcriptional regulators for the treatment of pulmonary and meningeal tuberculosis (TB).

The mode of action of alpibectir is directly linked to ethionamide (Eto), a standard treatment for tuberculosis since 1965 but that has started to show significant levels of resistance, up to over 30% in China and suffers from dose related side effects.

Alpibectir works by potentiating Eto's activity, thus allowing to use lower doses of Eto while retaining or improving the activity and reversing *M. tuberculosis* resistance against Eto. This mode of action is first-in-class, as alpibectir is activating an alternative enzymatic pathway (MymA/VirS) that activates Eto inside mycobacteria. This pathway also allows the common resistance against Eto that is driven by the main enzymatic activation pathway to be overcome and thus restore the antibacterial activity of Eto towards Eto-resistant TB. Eto is a thioamide anti-tuberculosis drug which is on the WHO essential medicines list. In addition, alpibectir in combination with Eto is rapidly bactericidal, which means that the bacterial load in the lung is actively reduced relatively quickly. Moreover, alpibectir and Eto are ideally suited for TB-Meningitis as both penetrate the blood-brain barrier, which is necessary for the effective treatment of this disease.

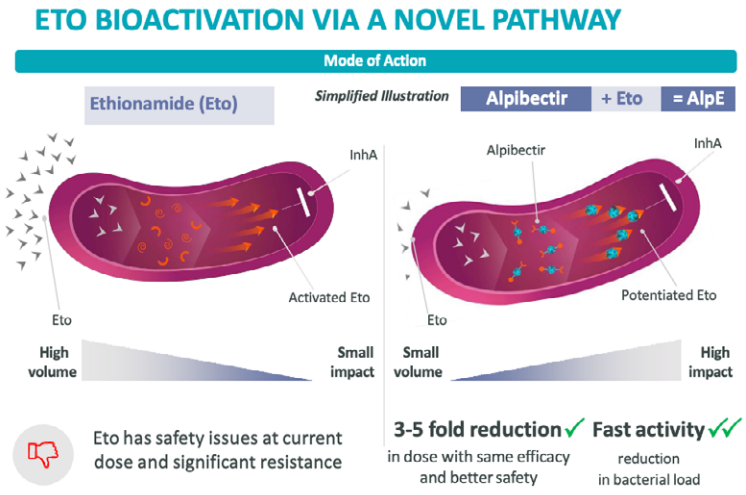

Figure 3: simplified illustration of the Mode of Action of alpibectir in combination with Eto.

TB is one of the leading causes of death by infectious diseases globally, killing over 1 million people each year, and many existing treatments are becoming less effective due to growing drug resistance. TB-Meningitis is particularly problematic with a 50% mortality rate in adults and causing long-term disabilities in surviving children.

Alpibectir was shown in a Phase 1 clinical study in 80 healthy participants to be generally safe and well tolerated with a favorable pharmacokinetic profile. Based on these promising results, alpibectir was then evaluated in newly diagnosed pulmonary TB patients in a Phase 2a bactericidal activity study in

combination with Eto (AlpE), which delivered promising safety and efficacy results in 2024.

The primary endpoint of the Phase 2a study was to estimate the 7-day antimycobacterial activity of AlpE by quantifying the decrease in bacterial burden in the patient's lung by measuring the change in CFU/mL and the Time to Positivity ("TTP"). TPP is an alternative to CFU counting for the determination of the viable sputum mycobacterial load in EBA studies. Analysing the results from our Phase 2a study, we saw in both endpoints the CFU/mL and the TTP a clear proof of concept for alpibectir rendering Eto more effective at lower doses and in two dose groups with similar rapid bactericidal effects to the control group of Isoniazid. We also demonstrated that a 3-fold reduction of Eto is possible in the presence of alpibectir thereby increasing the tolerability of Eto without sacrificing the antimycobacterial activity. The positive trends and dose response of the preliminary analysis from this study are encouraging and allow for further progression of the development of AlpE.

Overall data generated to date support a good safety profile of alpibectir and the benefit/risk ratio of alpibectir for the treatment of tuberculosis. If the AlpE combination proves to be highly bactericidal at well-tolerated doses, Eto could be repositioned as a core agent for use in future first-line regimens for INH-mono-resistant TB, refractory DS-TB, MDR-TB and TB-M.

In 2020, alpibectir in fixed dose combination with Eto, was granted QIDP designation by the FDA, allowing for priority review and an additional five years of exclusivity (i.e. until 2042). Alpibectir also received FDA ODD in 2023, reflecting the urgent need for new TB treatments and the potential demonstrated by alpibectir and Eto to improve treatment options for TB patients.

Within our ongoing partnership with GSK, we are now planning to progress alpibectir into two Phase 2b studies, one in pulmonary TB, which we expect to initiate in H1 2025, and a second in TB-Meningitis due to begin in H1 2026. Based on the high unmet medical need in TB-Meningitis, we believe that following the successful completion of the Phase 2 study, we can conduct a single registration trial, sufficient for a New Drug Application (NDA).

As we are developing alpibectir in a collaboration with GSK, any future net revenues we may generate with alpibectir are expected to be shared 50/50 with GSK.

BV200 in Atopic Dermatitis

Our BV200 program comprises a novel series of potentially first-in-class small molecules that act as anti-virulence agents against Gram-positive *S. aureus*, with an initial indication against mild-to-moderate Atopic Dermatitis (AD). If successful, this approach could improve the quality of life for millions of patients, reduce healthcare costs, and spare antibiotics at a time when AMR is an important issue whilst limiting the use of expensive immunomodulators being prescribed for moderate to severe cases of AD.

We have identified a lead candidate and established a topical formulation with a predicted shelf-life of more than two years. The next milestone for the BV200 program is to have the requisite Chemistry, Manufacturing and Controls (CMC) activities completed delivering non-GMP drug substance for Investigational New Drug-enabling (IND) studies. BV200 continues to be supported by a grant from Innosuisse under the Swiss Accelerator program.

BV500 in Nontuberculous Mycobacteria (NTM) infections

The BV500 program focuses on a series of novel small molecules targeting primarily pathogens of the class of nontuberculous mycobacteria (NTM), which affect patients with chronic lung diseases such as cystic fibrosis or chronic obstructive pulmonary disease. NTMs represent a high-need indication with approximately 250,000 patients worldwide, predominantly in the US and Japan.

In this program, we are developing novel ansamycin antibiotics with improved chemical properties for a) oral administration, b) broad activity on all NTM subspecies, c) an ability to avoid Cytochrome P450 induction, and d) overcoming specific resistance mechanisms. Our most advanced molecules have demonstrated robust in vivo efficacy across multiple NTM animal models of infection which are more potent compared to reference drugs following oral administration. BioVersys recently announced that BV500 reached the second milestone within the grant funding from the CF AMR Syndicate and the program is also part of the EU IMI2 JU funded program RespiriNTM.

The next major milestone for the BV500 program is expected to be the selection of a preclinical development candidate, before moving into Investigational New Drug / Clinical Trial Authorization enabling studies.

Our strategy

Our goal is to be a global leader in the discovery and development of novel first-in-class or best-in-class medicines for AMR patients and microbiome related diseases. We intend to become a sustainable biopharmaceuticals company.

To achieve our strategic goal, we focus on implementing the following strategic initiatives:

- Focus on life threatening infections that currently have limited or no treatment options.
- Progress BV100 development through Phase 3 clinical trials in nosocomial pneumonia and blood stream infections towards regulatory approval.
- Progress AlpE in clinical development for TB-M and MDR-TB towards expedited regulatory approval.
- Advance the development of our preclinical pipeline.
- Leverage existing and establish additional partnerships supporting our product candidates and future programs.
- Develop and implement the commercialization strategy for BV100 and alpibectir

CORPORATE GOVERNANCE

This section of the annual report of Bioversys AG (the "Company") shall give a brief overview of the Company's corporate governance. Due to its recent listing, the Company is not yet required to publish a comprehensive report on its corporate governance. However, the board of directors of the Company (the "Board of Directors" or "Board"), recognizing the importance of good corporate governance, is committed to providing key information on its corporate governance already now. Starting with the annual report as of and for the year ending December 31, 2025, the Company will provide all information required in accordance with the Directive on Information relating to Corporate Governance in this section.

Complete copies of our organizational rules (the "Organizational Rules"), corporate governance guidelines committee charters for each of our Compensation and Nomination Committee ("CNC") and our Audit and Risk Committee ("ARC") are available on the "Investor Relations—Corporate Governance" section of our website. Alternatively, you can request a copy of any of these documents by writing us via e-mail at ir@bioversys.com

1 Group structure and shareholders

1.1 Group structure

BioVersys AG is a stock corporation organized under the laws of Switzerland with its registered office at Hochbergerstr. 60C, 4057 Basel, Switzerland. The Company is registered in the commercial register of the Canton of Basel-Stadt under the number CHE-114.512.761. The company listed on the SIX Swiss Exchange (Valor: 21036264, ISIN: CH0210362643, SIX: BIOV) on February 7, 2025.

The Company has three unlisted subsidiaries, one in France, one in the US and one in China. BioVersys AG holds 100% equity interest in all direct subsidiaries.

- BioVersys SAS is based in Lille, France and was founded in 2018. The nominal share capital as of December 31, 2024 was EUR 10'000.
- Guangzhou BioVersys Pharmaceutical Co., Ltd. is based in Guangzhou, China was incorporated in 2024. The nominal share capital as of December 31, 2024 was CNY 50'000.
- BioVersys USA Inc. is based in Delaware, USA and was founded in 2018. The nominal share capital as of December 31, 2024 was USD 0.50.

1.2 Significant shareholders

The Financial Market Infrastructure Act (FMIA) requires shareholders who hold more than 3% of BioVersys's share capital to report their shareholding to BioVersys.

All disclosures of significant shareholdings since the listing as of February 7, 2025 are published on the website of the SIX Exchange Regulation disclosure office and can be accessed here.

1.3 Cross-shareholdings

As of the date of this Report, there are no cross-shareholdings of the Company that exceed 5% of the holdings of capital rights on both sides.

2 Capital structure

2.1 Capital

As of the date of this Report, the Company's issued share capital amounts to CHF 5'823'480, divided into 5'823'480 fully paid in registered shares with a par value of CHF 1 each.

The Company's current Articles of Association can be viewed on the Company's website.

Conditional Share Capital for Employee Participation (article 4b):
The share capital may be increased in an amount not to exceed CHF 600,000 through the issuance of up to 600,000 fully paid-in registered shares with a par value of CHF 1.00 each through the direct or indirect issuance of shares, or through the exercise of rights to acquire shares or through obligations to acquire shares, which were granted to or imposed on members of the Board of Directors, members of the Executive Committee, employees, contractors or consultants of the Company or its group companies, or other persons providing services to the Company or its group companies.

The subscription rights and advance subscription rights of the shareholders of the Company shall be excluded in connection with the issuance of such shares, rights or purchase obligations. The issuance of such shares, rights or purchase obligations shall be made in accordance with one or more plans, regulations or resolutions to be issued by the Board of Directors or, to the extent delegated to it, the Compensation Committee, and to the extent applicable, taking into account the compensation principles pursuant to the articles of association. Such shares may be issued at a price lower than the respective market price quoted on the stock exchange and such rights or acquisition obligations may be granted below their intrinsic value.

The direct or indirect acquisition of shares based on the Article 4b and any subsequent transfer of such shares shall be subject to the restrictions of Article 6 of the articles of association.

Conditional Share Capital for Financing, Acquisitions and other Purposes (article 4c):
The share capital may be increased in an amount not to exceed CHF 975,000 through the issuance of up to 975,000 fully paid-in registered shares with a par value of CHF 1.00 each through the exercise or mandatory exercise of conversion, exchange, option, subscription or other rights to acquire shares or through obligations to acquire shares, which were granted to or imposed on shareholders or third parties alone or in connection with bonds, notes, options, warrants or other securities or contractual obligations of the Company or any of its group companies (hereinafter collectively the Financial Instruments).

The subscription rights of shareholders shall be excluded upon the exercise of any Financial Instruments in connection with the issuance of shares. The then current owners of such Financial Instruments shall be entitled to acquire the new shares issued upon the exercise of any Financial Instruments. The main conditions of the Financial Instruments shall be determined by the Board of Directors.

The Board of Directors shall be authorized to restrict or withdraw advance subscription rights of shareholders in connection with the issuance of Financial Instruments by the Company or one of its group companies if the Financial Instruments are issued on appropriate terms or there is an important reason as defined in the articles of association.

The direct or indirect acquisition of shares based on this Article 4c and any subsequent transfer of such shares shall be subject to the restrictions of Article 6 of the articles of association.

Conditional Share Capital for COVID-19 Loan (article 4d):
The share capital of the Company may be increased in an amount not to exceed CHF 145,666 through the issuance of up to 145,666 fully paid-in new registered shares with a par value of CHF 1.00 each through the voluntary or mandatory exercise of conversion or option rights, which were granted to the canton of Basel-Stadt in connection with the COVID-19 Start-up-warranty ordinance of the canton of Basel-Stadt (SG 819.872) and a respective warrant agreement, as well as to Peter Gmür and Dr Klaus Gmür in accordance with separate warrant agreements.

The advance subscription rights and the subscription rights of the shareholders shall be excluded in connection with the issuance of such shares. The respective owners of the conversion or option rights shall be entitled to acquire the new registered shares. The conditions of these conversion or option rights, including exercise period and issue price shall be based on the corresponding guarantee agreements. The issuance of such shares may be made at a price below the respective stock exchange price.

The direct or indirect acquisition of shares based on the Article 4d and any subsequent transfer of such shares shall be subject to the restrictions of Article 6 of the articles of association.

Conditional Capital for CRV Loan (article 4e):
The share capital of the Company may be increased in an amount not to exceed CHF 26,798 through the issuance of up to 26,798 fully paid-in new registered shares with a par value of CHF 1.00 each through the exercise of conversion or option rights, which were granted to Clinical Research Venture Partners LLC in connection with a respective CRV Investment Agreement.

The advance subscription rights and the subscription rights of the shareholders shall be excluded in connection with the issuance of such shares. Only Clinical Research Venture Partners LLC shall be entitled to obtain the new registered shares. The conditions of these conversion or option rights, including exercise period and issue price shall be based on the corresponding CRV Investment Agreement. The issuance of such shares may be made at a price below the respective stock exchange price.

The direct or indirect acquisition of shares based on this Article 4e and any subsequent transfer of such shares shall be subject to the restrictions of Article 6 of the articles of association.

Capital band (article 4a):
The Company has a capital range ranging from CHF 4,016,153 (lower limit) to CHF 7,535,083 (upper limit). The Board of Directors shall be authorized within the capital range to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until January 27, 2030 or until an earlier expiry of the capital range. The capital increase or reduction may be effected by issuing fully paid-in registered shares and cancelling registered shares, as applicable, or by increasing or reducing the par value of the existing shares within the limits of the capital range or by simultaneous reduction and re-increase of the share capital.

In the event of an issue of shares, the subscription and acquisition of the new shares as well as any subsequent transfer of the shares shall be subject to the restrictions pursuant to Article 6 of the articles of association.

In the event of a capital increase within the capital range, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution (including cash contributions, contributions in kind, set-off and conversion of reserves or of profit carried forward into share capital), the date of issue, the conditions for the exercise of subscription rights and the beginning date for dividend entitlement. In this context, the Board of Directors may issue new shares by means of an underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been withdrawn or have not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trade with subscription rights. It may permit the expiration of subscription rights that have not been duly exercised or that have been waived, or it may place such rights or the shares issued for them at market conditions or may use them otherwise in the interest of the Company.

In the event of a share issue the Board of Directors is authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights or rights which have been waived or not exercised to third parties, the Company or any of its group companies according to the articles of association.

After a change of the par value, new shares shall be issued within the capital range with the same par value as the existing shares.

If the share capital increases as a result of an increase from conditional capital pursuant to Article 4b, 4c, 4d and 4e of the articles of association, the upper and lower limits of the capital range shall increase in an amount corresponding to such increase in the share capital

In the event of a reduction of the share capital within the capital range, the Board of Directors shall, to the extent necessary, determine the use of the reduction amount. The Board of Directors may also use the reduction amount for the partial or full elimination of a share capital shortfall in the sense of Article 653p CO or may, in the sense of Article 653q CO, simultaneously reduce and increase the share capital to at least the previous amount.

2.2 Changes in capital

The following table shows the changes in share capital of the Company from January 1, 2022 until the date of this Report:

Date of Share Issuance Registration	New Nominal Share Capital in CHF	Number of Shares issued
March 21, 2022	1,803,181	[2] 39,046 Shares at CHF 1 each
May 30, 2022	2,512,576	[1] 709,395 Shares at CHF 1 each
August 16, 2022	2,547,541	[1] 34,965 Shares at CHF 1 each
December 28, 2022	2,973,097	[1] 282,247 Shares at CHF 1 each and [2] 143,309 Shares at CHF 1 each
December 27, 2023	3,059,242	[2] 86,145 Shares at CHF 1 each
June 3, 2024	3,457,190	[3] 397,948 Shares at CHF 1 each
June 14, 2024	3,523,122	[2] 4,193 Shares at CHF 1 each and [3] 61,739 Shares at CHF 1 each
December 23, 2024	3,530,548	[2] 7,426 Shares at CHF 1 each
December 27, 2024	3,692,285	[3] 161,737 Shares at CHF 1 each
February 6, 2025	5,775,618	[3] 2,083,333 Shares at CHF 1 each
March 17, 2025	5,823,480	[3] 47,862 Shares at CHF 1 each

[1] Capital increase from authorized capital.
[2] Capital increase from conditional capital.
[3] Capital increase from capital band.

2.3 Shares

As of the date of this Report, the registered share capital of the Company, as recorded in the commercial register, amounts to CHF 5'823'480, divided into 5'823'480 fully paid in registered shares with a par value of CHF 1 each. Each Share carries one vote.

2.4 Dividend-right certificates and participation certificates

As of the date of this Report, the Company has not issued any non-voting equity securities, such as participation certificates (*Partizipationsscheine*) or profit sharing certificates (*Genussscheine*).

2.5 Transfer of Shares

Persons acquiring registered shares shall be registered in the share register as shareholders with voting rights upon their request if they expressly declare that they have acquired these registered shares in their own name and for their own account, that there is no agreement on the redemption of the relevant shares and that they bear the economic risk associated with the shares.

The Board of Directors may register individual persons who do not expressly make the above declarations in the registration application (the Nominees) as shareholders with voting rights if the Nominee has entered into an agreement with the Company regarding its position and is subject to a recognized bank or financial market supervision.

After hearing the registered shareholder or Nominee, the Board of Directors may cancel such person's registration in the share register with retroactive effect as of the date of registration if such reg-

istration was made based on false or misleading information or is no longer accurate. The relevant shareholder or Nominee shall be promptly informed of the cancellation.

3 Board of Directors

As of the date of this Report, the Board of Directors consists of 5 non-executive members and one executive member (Marc Gitzinger as CEO). None of the non-Executive members of the Board of Directors (i) has significant business connections with the Company or its subsidiaries or (ii) is or was a member of the Company's or its subsidiaries' management during 2024 or the three previous financial years. Marc Gitzinger is the Company's CEO and has a number of (unpaid) operational management roles at the Company's subsidiaries.

Board of Directors

3.1/3.2 Members of the Board of Directors

Dr. Seng Chin Mah,

CHAIRMAN

Dr. Seng Chin Mah was Chief Executive Officer of the Canyon Pharmaceuticals Group AG from 2009 to 2021 and has over 30 years of experience in the Pharma and Biotech industry. Prior to Canyon, he was the Head of Development of the Integration Office during the integration of Chiron into Novartis and has previously held positions including Global Head of Clinical Safety and Epidemiology and Head of Drug Regulatory Affairs Europe. He also had oversight responsibility for Clinical Quality Assurance. Dr. Mah was also a member of the Novartis Corporate Executive Group and a member of the board of directors for Novartis Europharm Ltd. During his tenure with Novartis and Ciba, he has driven transformational programs, managed large global organizations, and achieved significant business results such as the numerous global registrations of major products including Diovan. Dr. Mah has worked extensively on both development projects and marketed products. He has held numerous research and academia positions, and is on the board of OSR Holdings, Inc., a NASDAQ-listed company. He became self-employed in 2021 and is active as an advisor in the healthcare industry. Dr. Mah is an award-winning CEO of a biotech - The Frost & Sullivan 2011 Product Differentiation Excellence Award in Parenteral Anticoagulants recognized Canyon Pharmaceuticals Group AG for the development and launch of Iprivask® (desirudin for injection). He subsequently effected an asset transaction of the product. He possesses deep knowledge in strategic decision-making within the Pharma and Biotech industry, late-stage clinical development & regulatory experience as well as people development skills.

Dr. Marc Gitzinger,

BOARD MEMBER & CEO

Dr. Marc Gitzinger is Chief Executive Officer and co-founder of BioVersys with over 15 years of experience in the biotech industry, having launched a university spin-off in the field of AMR and growing it into a multi-asset clinical stage company. Some of these assets aim to address significant unmet medical needs in infectious conditions such as tuberculosis and hospital acquired Acinetobacter infections. Dr. Marc Gitzinger has raised over CHF 90 million in equity financing and secured over CHF 30 million in non-dilutive funding for BioVersys. He has also established several important partnerships with a Big Pharma and other development organizations. Multi-award-winning Biotech CEO, having received amongst others the Swiss Technology Award 2011, Venture Kick 2009 and Venture Leaders 2008 and 2017 awards for his work in founding and advancing BioVersys. He held a position as a member of the Board of Directors of BEAM Alliance, a European association representing over 70 European and international SMEs active in antimicrobial research and development, from 2016 to 2022 and was elected as President in 2022. In 2021, he additionally joined the Board of Directors of AMR Industry Alliance as a member. Since 2023, he is also a member of the Board of Directors of Perseo pharma AG, a company engaged in the research, development and commercialization of nanotechnology-based therapeutic products and applications. Dr. Gitzinger has leadership experience in the field of antimicrobial research and development, leading a highly motivated team striving to bring life-saving antimicrobial therapies to patients in need. He is also co-author on several high ranked scientific publications and patents in the field.

Dr. David Hunstad,

BOARD MEMBER

Dr. David Hunstad is Professor of Pediatrics and Molecular Microbiology at Washington University School of Medicine in St. Louis, Missouri, USA, since 2018. In 2015, he was appointed as Chief of their Division of Pediatric Infectious Diseases, leading their growth to 20 faculty with diverse basic and clinical research programs in childhood infections and epidemiology. Furthermore, he has been the Director of the Pediatric Physician-Scientist Training Program since 2011, was appointed to the role of Scientific Director at the Children's Discovery Institute in 2023 and in 2024 assumed the role of Vice Chair for Basic and Translational Research. From 2018 to 2022, he was a member of the Board of Directors of the Pediatric Academic Societies, Inc. and Strategy and Operations Officer of the Society for Pediatric Research. Dr. Hunstad's laboratory research in Gram-negative bacterial pathogenesis, novel treatments for urinary tract infections, and emerging infectious diseases in children has been funded continuously by the U.S. National Institutes of Health for 23 years. His work has been recognized by election to the Society for Pediatric Research and the American Pediatric Society. Dr. Hunstad received the Faculty Achievement Award from the Washington University Medical Center in 2019. Listed among the Best Doctors in America, Dr. Hunstad has been in clinical practice in pediatrics and infectious diseases since 1999. He also has led and participated in numerous industry-sponsored pediatric clinical trials of new anti-infective agents.

Marina von Schönau,

BOARD MEMBER

Since 2012, Marina von Schönau is Chairwoman of Almacos AG and investor representative of a family office where she takes care of the private equity portfolio. Almacos AG is a management consultancy that is active in companies in the private equity space in real estate, healthcare including digital health, recycling, food appliances and financial services, with an emphasis on helping management retain entrepreneurial values. She holds various board positions in privately held companies, including dacadoo AG from 2015, as well as foundations such as the Coralma Stiftung AG. Over the last decade, Ms. von Schönau has focused on advising venture opportunities, growth scenarios and complex restructuring especially within biotechnology, digital healthcare and recycling. As an investor, she has particular interests in the healthcare sector especially nutrition and in the recycling industry. In her prior career, Ms. von Schönau worked in senior positions at different multi-national companies in the pharmaceutical sector including Janssen Cilag AG and Bayer (Schweiz) AG where she gained in depth knowledge of marketing, product launches and leadership. She has worked on products in the central nervous system ("CNS") therapeutic area and women's health. She was also a member of an international marketing frame group for a new product where she drove e-business ideas. Under her leadership, the CNS therapeutic area played a leading role in the initiation and expansion of the company's e-business platforms. Ms. von Schönau has a strong interest in the business potential and culture of Asia, in particular the fast pace of innovation in the fields of nutrition.

Dr. William Jenkins,

BOARD MEMBER

Dr. William Jenkins is an independent healthcare advisor with over 40 years' experience. Since 2000, he is the head of William Jenkins Pharma Consulting where he has been advising a wide range of pharma and biotech companies as well as investment and venture capital firms in the healthcare sector. Dr. Jenkins has previously served on the boards of multiple Biotechs including Consort Medical Ltd, Allecra Therapeutics, Ablynx N.V., BTG PLC, Eurand Pharmaceutical Holdings B.V., Vaxxim AG, Monogram Biosciences Inc, Acambis Research Ltd, Evotec AG, Tanox Inc, Nicholas Piramal India Ltd and Glycart AG. He has been involved in corporate transactions ranging from mergers & acquisitions, demergers and IPOs to licensing deals across several geographies. He has also been a member of several Scientific Advisory Boards of biotechs and venture capital funds. Formerly, Dr. Jenkins held positions such as the Global Head of Clinical Development & Regulatory Affairs of Novartis, Head of Medicine of Ciba and Head of Worldwide Clinical Research of the Glaxo Group where he was responsible for the successful development and approval of numerous novel products across all therapeutic areas and contributed to their successful launches. Before joining the pharmaceutical industry, Dr. Jenkins was Principal Medical Officer and a Deputy Head of the Medicines Division of the UK Department of Health where he was also the UK representative to the CPMP on Adverse Drug Reactions. He has also been a Senior Lecturer in Medicine and a Medical Research Council Fellow.

Dr. Henni-Karoliina Ropponen,

BOARD MEMBER

Dr. Henni-Karoliina Ropponen is a Venture Analyst at the AMR Action Fund, the world's largest venture capital fund focused on investing in antibiotics, antifungals, and related antimicrobial technologies. Since joining the Fund in 2023, she has been instrumental in evaluating potential investment opportunities and supporting the AMR Action Fund's growing number of portfolio companies. Dr. Ropponen has served as a Board Observer to several biotechnology companies operating in the antimicrobial space. A medicinal chemist by training, she has extensive experience in antibiotic drug discovery, and she has worked on several small-molecule antibiotic programs where she has helped advance promising molecules in preclinical settings. Prior to joining the Fund, she worked for the Global Antibiotic R&D Partnership (GARDP), Roche, and the Helmholtz Institute for Pharmaceutical Research Saarland (HIPS).

Dr. Shlomo Noy,

BOARD OBSERVER

Shlomo Noy is a partner and Chief Medical Officer (CMO) of the Guangzhou Israel Biotech Fund (GIBF) with over 30 years of professional experience in the life sciences industry, covering a wide range of disciplines. Dr. Noy played a key role in managing the first fund which closed in 2022 with 12 portfolio companies and a total of $100 million under management. Since 2022, GIBF fund 2 has expanded to $300 million under management focusing on pharma therapeutics and has completed four investments to date. Prior to that, Dr. Noy served as the Vice-President for Research & Development at Sheba Medical Center, the largest hospital in Israel, which has been ranked among the top 10 hospitals in the world by Businessweek. He was the founder and chairman of the Sheba Tech Transfer Company, which achieved exits totalling over NIS 550 million. He has also held the position of Chairman of the Helsinki Committee for Human Trials (IRB), overseeing more than 3,000 human trials annually. Dr. Noy has acted as a consultant to the National Healthcare Reform Committee and served as a life sciences consultant for PWC. He is a Board member of Sheba Medical Center's life sciences company, and various biotech companies.

Dr. Carly Levine,

BOARD MEMBER, UNTIL JANUARY 2025

Since 2021, Dr. Carly Levine is an Associate at the AMR Action Fund ("AMRAF"), where she is responsible for evaluating innovative technologies, cultivating investment opportunities, and supporting the fund's portfolio companies. She joined AMRAF as an Analyst in November 2021. With approximately USD 1 billion under management, AMRAF is the largest antimicrobial-focused venture fund. During her time at AMRAF, Dr. Levine has helped guide numerous investments into biotech companies that are developing therapeutics for priority drug-resistant pathogens. Prior to joining AMRAF, she spent nearly a decade in academia, where she developed a deep understanding of the biology of drug resistance and the science that underpins novel antimicrobial development. Dr. Levine's research focused primarily on evaluating novel anti-tubercular drug candidates and applying a multi-omics approach to characterize the physiology of drug-tolerant Mycobacterium tuberculosis isolates. She is a Board Member of VenatorX Pharmaceuticals and Pattern Bioscience. She is a Board Member of VenatorX Pharmaceuticals and Pattern Bioscience. In addition, she serves as Board Observer at Elion Therapeutics, Antabio and Adaptive Phage Therapeutics.

3.3 Limits on mandates

According to art. 31 of the Articles of Association (https://ir.bioversys.com/investor-relations/governance-csr/articles-of-association) in force as of the date of this Report, no member of the Board of Directors may hold more than ten additional mandates of which no more than four may be in listed companies. The following mandates shall not be subject to the aforementioned limitations: (i) mandates in companies which are controlled by the Company or which control the Company, (ii) mandates held at the request of the Company or companies controlled by it (no member of the Board of Directors shall hold more than ten such mandates), and (iii) and mandates in associations, professional or trade associations, foundations, trusts, employee welfare foundations, educational institutions, and similar organizations (no member of the Board of Directors shall hold more than ten such mandates).

Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one mandate.

3.4 Elections and terms of office

The members of the Board of Directors (including the chairperson) are individually elected by the meeting of shareholders for a term of one year until the end of the next Annual General Meeting (AGM), provided that such member does not resign or is not replaced during his term. The members of the Board of Directors may be re-elected without limitation.

Name	Function	Committee memberships	First elected	End of current period	Year of birth
Seng Chin Mah	Chairman	ARC, CNC (Chair)	2011	2025	1959
Marc Gitzinger	Member	-	2010	2025	1981
David Hunstad	Member	CNC	2015	2025	1969
Marina von Schönau	Member	CNC	2016	2025	1979
William Jenkins	Member	ARC (Chair)	2021	2025	1947
Henni-Karoliina Ropponen	Member	ARC	2025	2025	1994

3.5 Internal organizational structure

The Board of Directors has adopted Organizational Rules (including Charters for the Compensation and Nomination Committee and the Audit and Risk Committee), which define the essential roles and responsibilities of the Board of Directors, the committees of the Board, the Chairman of the Board, the CEO and the executive management (the "Executive Committee").

In accordance with good corporate governance standards, the Board of Directors has established two sub-committees as of February 7, 2025, with membership determined according to expertise.

Compensation and Nomination Committee:

The Compensation and Nomination Committee ("CNC") consists of Dr Seng Chin Mah (Chair), Dr David Hunstad and Ms. Marina von Schönau. The Shareholders' Meeting shall elect the members of the Compensation and Nomination Committee individually for a term of office until the completion of the next Ordinary Shareholders' Meeting. In case of vacancies on the CNC, the Board shall appoint

from among its members substitutes for a term of office extending until completion of the following Annual General Meeting (AGM).

The CNC is established as a permanent committee of the Board of Directors. The CNC shall assist the Board in establishing the compensation of the members of the Board, the CEO and the Executive Committee (*Geschäftsleitung*), and the guidelines for nomination and election of the members of the Board, its committees and the CEO.

According to the Organizational Regulations and the Charter of the Compensation and Nomination Committee, the Compensation and Nomination Committee's responsibilities include:

- to review and make recommendations to the Board regarding the compensation and benefits strategy and guidelines of the Company and the Group;
- to review and make recommendations to the Board regarding the compensation of the members of the Board and the Executive Committee;
- to review and approve the recommendation of the CEO of the Company regarding the fixed and variable compensation, including incentive plan participation and benefits, of the members of the management board of the Company (other than the Executive Committee of the Company);
- to review and make recommendations to the Board regarding compensation and benefits plans of the Company and the Group (cash and/or equity-based plans), and where appropriate or required, make recommendations to adopt, amend and terminate such plans;
- to administer the compensation and benefits (other than equity-based) plans of the Company and the Group;
- to define criteria for selecting new Board members, including shareholder-nominated candidates;
- to identify, screen, and propose Board nominees for election or re-election;
- to recommend appointments to Board committees and chairs, filling vacancies based on experience, skills, diversity, and independence;
- to assess and advise on the independence and potential conflicts of interest of Board members, in line with applicable laws and the Swiss Code;
- to develop selection and succession criteria for the CEO and Executive Committee, supervising searches and planning;
- to recommend CEO and Executive Committee appointments to the Board, based on proposals from the CEO; and
- any other duties in compensation matters delegated to the Compensation and Nomination Committee by the Board.

According to the Charter of the Compensation and Nomination Committee, the Compensation and Nomination Committee has the power to procure any information and assistance from within the Company and the Group that it needs to perform the specific tasks and duties imposed upon it and is authorized to obtain subject-specific professional consultancy services from third parties.

The Compensation and Nomination Committee holds meetings as often as required but in any event at least four (4) times a year.

Audit and Finance Committee:
As of the February 7, 2025, the Audit and Risk Committee consists of Dr. William Jenkins (chairperson), Dr. Seng Chin Mah, and Dr. Henni-Karoliina Ropponen. The Board of Directors appoints the chairperson.

According to the Organizational Regulations and the Charter of the Audit and Risk Committee, the Audit and Risk Committee shall consist of at least two members of the Board. The chair and the other members of the Audit and Risk Committee are appointed by the Board.

According to the Charter of the Audit and Risk Committee, at least one member of the Audit and Risk Committee shall be independent as defined in the Swiss Code of Best Practice for Corporate Governance of 2023, published by economiesuisse (the "Swiss Code"), and a majority of the members of the Audit and Risk Committee, including its chair, shall be experienced in financial and accounting matters.

According to the Charter of the Audit and Risk Committee, the Audit and Risk Committee's responsibilities include:

- Assessing the quality and effectiveness of the external audit and internal control systems, including risk management and compliance measures;
- Reviewing the financial statements, management letters, audit findings, and recommendations, and discussing these with the CFO, CEO, and external auditors;
- Recommending the approval of stand-alone and consolidated financial statements to the Board of Directors for presentation to shareholders;
- Evaluating the external auditors' performance, fees, and independence, and reviewing audit scope and related matters;
- Addressing legal or regulatory matters with potential financial impact, as well as supporting financial planning and accounting principles.
- Assisting the Board in the appointment or removal of external auditors; and
- performing other tasks assigned by the Board.

According to the Charter of the Audit and Risk Committee, the Audit and Risk Committee has the power to procure any information and assistance from within the Company and the Group that it needs to perform the specific task and duties imposed upon it and is authorized to obtain subject-specific professional consultancy services from third parties.

The Audit and Risk Committee holds meetings as often as required but in any event at least four (4) times a year.

3.6 Definition of areas of responsibility

The Board's non-transferable and inalienable duties include: (i) the ultimate management of the Company and the giving of the necessary directives in this regard; (ii) the determination of the organization of the Company; (iii) the structuring of the accounting system, financial controls and financial planning; (iv) the appointment and removal of the persons entrusted with the management and representation of the Company; (v) the ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with applicable law, the

articles of association, regulations and directives; (vi) the preparation of the annual report as well as the preparation of shareholders' meetings and the implementation of their resolutions; (vii) notification of the judge in case of over-indebtedness; (viii) the adoption of resolutions concerning increases in share capital to the ex- tent that such power is vested in the Board, including resolutions concerning the confirmation of capital increases and respective amendments to the articles of association, and (ix) the non-transferable and inalienable duties and powers of the Board pursuant to the Swiss Federal Merger Act (Fusionsgesetz) and any other applicable law.

In accordance with Swiss law, the articles of association and the Organizational Rules and subject to those matters that lie within the responsibility of the Board by law, the articles of association and the Organizational Rules, the Board of Directors has delegated the Company's management to the CEO, who leads the top tier of the Company's Executive Committee.

3.7 Information and control instruments vis-à-vis the executive committee

The Board of Directors receives regular reports regarding the financial and business situation of the Company and semi-annual reports presented by the CEO. In general, the Executive Committee informs the Board of Directors at each meeting about the current course of business and important transactions. Furthermore, the Board of Directors is informed about the most important key figures. The balance sheet, income statement, cash flow statement and various key figures are prepared and consolidated. These figures are compared with the budget. At the meetings of the Board of Directors, the financial reports are discussed with the Executive Committee. Extraordinary events and important decisions are brought to the attention of all members of the Board of Directors immediately. The Company also has an internal control system (ICS).

4 Executive Committee

The Executive Committee consists of 4 members, several of which have a number of (unpaid) operational management roles at the Company's subsidiaries.

4.1/4.2 Members of the Executive Committee

Dr. Marc Gitzinger

CHIEF EXECUTIVE OFFICER

Dr. Marc Gitzinger is Chief Executive Officer and co-founder of BioVersys with over 15 years of experience in the biotech industry, having launched a university spin-off in the field of AMR and growing it into a multi-asset clinical stage company. Some of these assets aim to address significant unmet medical needs in infectious conditions such as tuberculosis and hospital acquired Acinetobacter infections. Dr. Marc Gitzinger has raised over CHF 90 million in equity financing and secured over CHF 30 million in non-dilutive funding for BioVersys. He has also established several important partnerships with a Big Pharma and other development organizations. Multi-award-winning Biotech CEO, having received amongst others the Swiss Technology Award 2011, Venture Kick 2009 and Venture Leaders 2008 and 2017 awards for his work in founding and advancing BioVersys. He held a position as a member of the Board of Directors of BEAM Alliance, a European association representing over 70 European and international SMEs active in antimicrobial research and development, from 2016 to 2022 and was elected as President in 2022. In 2021, he additionally joined the Board of Directors of AMR Industry Alliance as a member. Since 2023, he is also a member of the Board of Directors of Perseo pharma AG, a company engaged in the research, development and commercialization of nanotechnology-based therapeutic products and applications. Dr. Gitzinger has leadership experience in the field of antimicrobial research and development, leading a highly motivated team striving to bring life-saving antimicrobial therapies to patients in need. He is also co-author on several high ranked scientific publications and patents in the field.

Dr. Nawaz Khan

HEAD OF RESEARCH

Dr. Nawaz Khan is Head of Research at BioVersys. He was formerly a founding member of Discuva Limited which was acquired by Summit Therapeutics. Nawaz has over 25 years industrial experience in both Pharma and Biotech spanning across multiple therapeutic areas including inflammatory disease, oncology, metabolic disease, pain and most recently infectious disease. Nawaz has extensive drug discovery knowledge and is renowned for building strong partnerships between industry and academia. He was a key member of the Discuva team that secured a worldwide collaboration and licence agreement with Roche for the discovery and development of new antibiotics to treat life-threatening infections caused by multi-drug resistant Gram-negative bacteria. Nawaz is an accomplished research leader who has co-authored several scientific publications and patent applications.

Dr. Glenn Dale

CHIEF DEVELOPMENT OFFICER

Dr. Glenn E. Dale is Chief Development Officer of BioVersys. He is a distinguished expert in infectious diseases, the author of numerous publications, and inventor on many patents. Since February 2019 Dr. Dale has led the clinical development activities at BioVersys, applying his 30 years of R&D experience and significant knowledge in the modern development of antibiotics. Glenn obtained his Ph.D. in Biochemistry in 1993 from the University of Basel. Following post-doctoral studies in Basel he has held the following positions: Group Leader at Roche, Head of Biology, Site Head at Morphochem AG and Scientific Coordinator responsible for pre-clinical research at Arpida. In 2009 he joined Polyphor where he led the Antibiotic Research and Early Development, successfully transitioning Murepavadin (POL7080) from pre-clinical activities to Phase 3 studies. Dr. Glenn Dale is an expert in developing and implementing modern antibiotic clinical development plans (e.g. devising pathogen specific development) and is experienced in presenting to and discussing with European and U.S. regulatory authorities, e.g., scientific advice meetings (MHRA, EMA), Type C meetings (FDA) and End of Phase 2 meeting (FDA).

Dr. Sergio Lociuro

CHIEF SCIENTIFIC OFFICER

(retired 31.12.2024 / currently advisor)

Dr. Sergio Lociuro was former Chief Scientific Officer of BioVersys. Since January 1, 2025 he acts as an advisor to the Company on a consultancy basis supporting the company still with the strategic CSO directions. His background spans from early drug discovery to early clinical development. He has conducted Phase I clinical studies, participated in later clinical studies and discussions with both the FDA and EMA. He received his Laurea degree in Chemistry at the University of Rome, Italy in 1981 and, after a two-year postdoctoral fellowship at the Italian Research National Council, he moved to UNB, Canada, where he received his Ph.D in 1987. In the same year he started his career in the pharmaceutical industry as a medicinal chemist. In his almost 35 years' experience in major pharmaceutical companies and SMEs, Dr. Lociuro has held positions such as Director of Medicinal Chemistry and International Project Leader in GSK, Head of Peptide Epitope Mimetics in Polyphor Ltd and Head of Research and Scientific Communication in Arpida AG and has been part of the Board of Directors of Arpida A/S. As the founder of THOT consulting Sagl, a Swiss consulting firm, Dr. Sergio Lociuro provided services in the Research and Development of anti-infectives and pharmaceutical drugs in general. He has held the position of CSO in C10 Pharma and Adenium Biotech, two Scandinavian biotech companies. Dr. Sergio Lociuro has published extensively throughout his career and is co-author on high ranked scientific publications and patents in the field.

Hernan Levett

CHIEF FINANCIAL OFFICER

Hernan Levett is the Chief Financial Officer of BioVersys AG. He is an experienced professional with a career in finance of over 28 years. Twenty-one of those years are specifically concentrated in the pharmaceutical industry. He has experience in investor relations, financial planning, strategic oversight, and organizational development. Before his current role at BioVersys, Hernan held the position of CFO at Spexis AG, a pharmaceutical company listed on the SIX Swiss Exchange, from 2019 to 2023. At Spexis, he played a pivotal role in both formulating essential financing strategies and negotiating a landmark $182 million licensing agreement with Fosun Pharma. He also had a noteworthy tenure at Nasdaq-listed Auris Medical Holding AG in the role of CFO from 2017 to 2019, where he effectively orchestrated multiple financing transactions and initiated strategic adjustments to preserve the company's Nasdaq standing. Before his roles at Spexis and Auris, Hernan gained experience in diverse finance positions at organizations such as Acino Pharma, InterMune, and Novartis. At Acino Pharma, he headed Group Controlling and was the finance lead for various Business Development & Licensing projects. Since February 2023, he is a member of the Board of Directors of Versameb AG, a company engaged in the research, development, manufacture, commercialization, acquisition and distribution of pharmaceutical and diagnostic products and technologies. He has a history of achieving operational profitability, implementing robust financial processes, and leading ERP projects. Hernan is a Certified Public Accountant from the Universidad de Buenos Aires.

Name	Function	Year of joining BioVersys	Year of birth
Marc Gitzinger	Chief Executive Officer	2008	1981
Hernan Levett	Chief Financial Officer	2023	1975
Glenn E. Dale	Chief Development Officer	2019	1963
Nawaz Khan	Head of Research	2025	1970

4.3 Limits on mandates

According to art. 31 of the Articles of Association (https://ir.bioversys.com/investor-relations/governance-csr/articles-of-association) in force as of the date of this Report, no member of the Executive Committee may hold more than five additional mandates of which no more than one may be in a listed company. Each of these mandates is subject to the approval by the Chairperson of the Board of Directors. The following mandates shall not be subject to the aforementioned limitations: (i) mandates in companies which are controlled by the Company or which control the Company, (ii) mandates held at the request of the Company or companies controlled by it (no member of the Executive Committee shall hold more than ten such mandates), and (iii) and mandates in associations, professional or trade associations, foundations, trusts, employee welfare foundations, educational institutions, and similar organizations (no member of the Executive Committee shall hold more than ten such mandates).

Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one mandate.

4.4 Management contracts

There are no management or service contracts with third parties.

5 Shareholder's participation rights

5.1 Voting rights restrictions and representation

Shareholders who are entered in the share register of the Company are entitled to vote at general meetings of shareholders. The deadline for being entered in the share register is set approximately 14 days prior to the general meeting of shareholders. The exact date is made public with the press release following the presentation of the financial results to the public for the full year ending on 31 December. For limitations on transferability and nominee registrations see Section 2.5.

5.2 Quorums required by the articles of association

Shareholders' resolutions generally require the approval of an absolute majority of the votes represented at the general meeting of shareholders unless otherwise required by Swiss law or the articles of association.

Shareholders of the Company may elect to be represented by proxy at general meetings of shareholders, by the independent voting rights representative, by their legal representative(s), or, by means of a written proxy or by any other proxy who need not be a shareholder.

5.3 Convocation of the general meeting of shareholders

General meetings of shareholders are convened by the Board of Directors. The Annual General Meeting (AGM) shall be called by the Board of Directors, or, if necessary, by the Auditors. It may also be called by the Liquidator.

5.4 Inclusion of items on the agenda

Shareholders who, alone or together, hold at least 0.5 percent of the share capital or the votes may request that an item be included on the agenda or that a proposal relating to an agenda item be included in the notice convening the Shareholders' Meeting. Such a request must be received by the Company in writing at least 45 calendar days prior to the Shareholders' Meeting, specifying the agenda item and the proposal or proposals. No resolutions may be passed at a Shareholders' Meeting on proposals concerning agenda items for which proper notice was not given; this provision shall not apply, however, to proposals made during a Shareholders' Meeting to convene an Extraordinary Shareholders' Meeting or to initiate a special investigation. No prior notice is required to bring proposals related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.

5.5 Entries in the share register

The relevant date determining the right of shareholders to participate in the meeting of shareholders on the basis of entries in the share register is set by the Board of Directors in the invitation to the meeting of shareholders.

6 Changes of control and defense measures

6.1 Duty to make an offer

There is no provision on opting-out or opting-up in the articles of association of the Company. The threshold of 33 1/3% of the voting rights of an offeree company specified in Article 135 of the Financial Market Infrastructure Act (FMIA) is thus applicable.

6.2 Clauses on changes of control

There is no contractual agreement for members of the Board of Directors or members of the Executive Committee in the event of change in control. However, the Company's ESOP plans and LTI plans provide for an acceleration of vesting in the event of a change of control.

7 Auditors

7.1 Duration of the mandate and term office of lead auditor

Since 2013, the Company's statutory auditors have been Ernst & Young AG, Aeschengraben 27, 4051, Basel ("EY"). By resolution of the shareholders on June 20, 2024 EY was re-elected for the financial year 2024.

Mr. René Buchmann has been lead auditor since 2021. The term of office of the lead auditor is seven years.

7.2 Fees for audit and audit-related services

The fees in connection with auditing the statutory financial statements of BioVersys AG, as well as the consolidated financial statements charged by EY in the year under review was CHF 145 thousand. Additionally, the fees for audit-related services such as services for the IPO, audit opinions for capital increases and other audit-related services amounted to CHF 386 thousand.

7.3 Fees for other services

During the year ending December 31, 2024, additional fees for other services amounting to CHF 4 thousand were billed by EY in connection with agreed-upon procedures for a research grant.

7.4 Information instruments pertaining to the external audit

The Board of Directors is responsible for the evaluation of the external audit and decides on an annual basis on the scope of the external audit and its audit plan. The auditor prepares an annual report for the Board of Directors. There is at least one meeting between the external auditors and the Board of Directors.

The external auditors meet with the ARC to present their plan, scope, audit approach, budget and audit results. The ARC reviews these and evaluates the independence of the external auditors from a risk analysis perspective. In addition to that, the auditors present their opinions resulting from an integrated audit, along with an annual management letter.

8 Information Policy

The most important information tools of the Company are the annual and semi-annual reports, the website, the presentation of financial statements, media releases and the Annual General Meeting (AGM). The corporate website of the Company can be accessed at www.bioversys.com.

BioVersys is a listed company. The Listing Rules of the SIX Swiss Exchange can be found at: https://www.ser-ag.com/en/resources/laws-regulations-determinations/regulations.html

The Investor Relations department is available to respond to your questions on Corporate Governance matters. You can contact us by phone (+41 61 551 51 42) or by writing to us at BioVersys AG, Hochbergerstrasse 60C, CH-4057 Basel, Attention: Investor Relations or by e-mail at ir@bioversys.com.

9 Quiet Periods

According to the Company's insider trading policy, trading securities of the Company is prohibited for insiders during the periods commencing at the close of business on the date that is two weeks before the end of any financial close of the Company and ends twenty-four (24) hours following the public release of earnings data for such period. In addition, the Company's compliance officer may declare a closed period if, in the judgment of the compliance officer, insider information is available within the Company that would make transactions by insiders inappropriate.

FINANCIAL REPORT 2024

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss for the year ended 31 December 2024

in CHF thousands

	Note	2024	2023
Other operating income	6a	1,213	1,139
Operating income		**1,213**	**1,139**
Research and development expenses	6b	(12,947)	(14,825)
General and administrative expenses	6b	(6,988)	(4,011)
Operating expenses		**(19,935)**	**(18,836)**
Operating loss		**(18,722)**	**(17,697)**
Finance income	6c	928	486
Finance expense	6c	(1,053)	(930)
Net foreign exchange gains / (losses)		128	(160)
Finance result		**3**	**(604)**
Loss before tax		**(18,719)**	**(18,301)**
Income tax expense	6d	-	-
Net loss for the period		**(18,719)**	**(18,301)**
Attributable to owners of the parent		(18,719)	(18,301)
Basic / diluted loss per share in CHF	20	(5.62)	(6.13)

Consolidated Statement of Comprehensive Income or Loss for the year ended 31 December 2024

in CHF thousands

	Note	2024	2023
Net loss for the period		**(18,719)**	**(18,301)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit post-employment plans	10	(338)	(374)
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		253	(178)
Other comprehensive loss for the period		**(85)**	**(552)**
Total comprehensive loss for the period		**(18,804)**	**(18,853)**

Consolidated Statement of Financial Position as of 31 December 2024

in CHF thousands

	Note	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	7	208	232
Right-of-use asset	8	350	349
Total non-current assets		**558**	**581**
Current assets			
Prepaid expenses and other receivables	9	1,779	2,360
Current financial assets	13	6,000	4,000
Restricted funds	13	-	2,850
Cash and cash equivalents	12	26,619	24,376
Total current assets		**34,398**	**33,586**
Total assets		**34,956**	**34,167**
Equity and liabilities			
Equity			
Share capital	15	3,692	3,059
Share premium	15	87,398	68,773
Cumulative translation adjustments		(67)	(320)
Accumulated losses		(80,341)	(62,936)
Equity attributable to owners of the parent		**10,682**	**8,576**
Non-controlling interests		-	-
Total equity		**10,682**	**8,576**
Non-current liabilities			
Non-current financial liabilities	14	13,761	15,678
Employee benefit liabilities	10	840	546
Total non-current liabilities		**14,601**	**16,224**
Current liabilities			
Trade payables		706	1,289
Other current liabilities	16	1,216	4,091
Accrued expenses	16	3,446	2,203
Current financial liabilities	14	4,305	1,784
Total current liabilities		**9,673**	**9,367**
Total liabilities		**24,274**	**25,591**
Total equity and liabilities		**34,956**	**34,167**

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

in CHF thousands

		Attributable to owners holders of the parent						
	Note	Share capital	Share premium	Cumulative translation adjustments	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at 1 January 2023		**2,973**	**66,869**	**(142)**	**(43,992)**	**25,708**	**-**	**25,708**
Net loss for the period		-	-	-	(18,301)	(18,301)	-	(18,301)
Other comprehensive income/ (loss):								
Remeasurement of defined benefit post-employment plans	10	-	-	-	(374)	(374)	-	(374)
Currency translation differences		-	-	(178)	-	(178)	-	(178)
Other comprehensive income/ (loss) for the period		**-**	**-**	**(178)**	**(374)**	**(552)**	**-**	**(552)**
Total comprehensive income/ (loss) for the period		**-**	**-**	**(178)**	**(18,675)**	**(18,853)**	**-**	**(18,853)**
Capital increase	15	86	1,926	-	(1,992)	20	-	20
Transaction costs	15	-	(22)	-	-	(22)	-	(22)
Share-based payments	11	-	-	-	1,723	1,723	-	1,723
Balance at 31 December 2023		**3,059**	**68,773**	**(320)**	**(62,936)**	**8,576**	**-**	**8,576**
Balance at 1 January 2024		**3,059**	**68,773**	**(320)**	**(62,936)**	**8,576**	**-**	**8,576**
Net loss for the period		-	-	-	(18,719)	(18,719)	-	(18,719)
Other comprehensive income/ (loss):								
Remeasurement of defined benefit post-employment plans	10	-	-	-	(338)	(338)	-	(338)
Currency translation differences		-	-	253	-	253	-	253
Other comprehensive income/ (loss) for the period		**-**	**-**	**253**	**(338)**	**(85)**	**-**	**(85)**
Total comprehensive income/ (loss) for the period		**-**	**-**	**253**	**(19,057)**	**(18,804)**	**-**	**(18,804)**
Capital increase	15	471	14,447	-	(204)	14,714	-	14,714
Transaction costs	15	-	(836)	-	-	(836)	-	(836)
Capital increase by non-controlling interests	14	-	-	-	-	-	5,113	5,113
Recognition put option redemption liability	14	-	-	-	-	-	(5,113)	(5,113)
Conversion of put option liability	15	162	5,014	-	-	5,176	-	5,176
Share-based payments	11	-	-	-	1,856	1,856	-	1,856
Balance at 31 December 2024		**3,692**	**87,398**	**(67)**	**(80,341)**	**10,682**	**-**	**10,682**

Consolidated Statement of Cash Flows for the year ended 31 December 2024

in CHF thousands

	Note	2024	2023*
Operating activities			
Loss before tax		**(18,719)**	**(18,301)**
Adjustments to reconcile cash generated by operating activities			
Depreciation	7/8	282	272
Interest income	6c	(497)	(479)
Interest expenses	6c	1,037	706
Share-based payments	11	1,856	1,723
Change in employee benefits	10	(53)	(51)
Fair value loss/(gain)	6c	(431)	214
Net foreign exchange loss/(gain)		(128)	160
Other non-cash items		24	-
Working capital adjustments			
(Increase)/decrease in prepaid expenses and other receivables and restricted funds	9, 13	3,359	(1,077)
Increase/(decrease) in trade payables, accrued expenses and other current liabilities	16	(2,801)	4,799
Cash used in operations		**(16,071)**	**(12,034)**
Interest received	6c	575	395
Interest paid	6c	(78)	(16)
Cash flow from operating activities		**(15,574)**	**(11,655)**
Investing activities			
Payments for investments in property, plant and equipment	7	(38)	(49)
Addition of current financial assets	13	(17,000)	(10,834)
Disposal of current financial assets	13	15,000	14,176
Cash flow from investing activities		**(2,038)**	**3,293**
Financing activities			
Proceeds on issue of shares	15	14,714	20
Transaction costs	15	(383)	(22)
Capital increase by non-controlling interests	14	5,113	-
Proceeds from borrowings	14	-	7,383
Repayment of borrowings	14	(30)	(30)
Repayment of lease liabilities	14	(221)	(221)
Cash flow from financing activities		**19,193**	**7,130**
Change in cash and cash equivalents		**1,581**	**-1,232**
Cash and cash equivalents at 1 January	12	24,376	26,561
Exchange difference		662	-953
Change in cash and cash equivalents		1,581	-1,232
Cash and cash equivalents at 31 December	12	**26,619**	**24,376**

* restated - see paragraph 3.o Change in the Statement of Cash Flows

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

BioVersys AG ("BioVersys" or the "Company", and together with its subsidiaries the "Group") is a limited company (Aktiengesellschaft) with registered office at Tech Park Basel, Hochbergerstrasse 60 C, 4057 Basel, Switzerland. It was established on 17 December 2010. Since 7 February 2025, the Company is listed on the SIX Swiss Exchange (refer to note 21).

The Company controls three subsidiaries: 100% ownership of BioVersys SAS ("BioVersys France"), which was incorporated in Lille, France, on 23 April 2018, 100% ownership of BioVersys USA Inc. ("BioVersys US") which was incorporated in Delaware, US, on 16 November 2018 and 100% ownership of Guangzhou BioVersys Pharmaceutical Co., Ltd. ("BioVersys China") which was incorporated in Guangzhou, China, on 13 June 2024. The Company and its subsidiaries form the BioVersys Group (the "Group").

The Group is researching and developing next-generation antimicrobial drugs for multidrug resistant bacterial infections. The Group has several distinct antibacterial programs in development. Its pipeline is focused on addressing the highest unmet medical needs, as identified by the World Health Organization and the US Centers for Disease Control and Prevention (CDC) priority pathogens.

The consolidated financial statements of BioVersys as of and for the year ended 31 December 2024 were authorized for issue by the Company's Board of Directors as of 25 March 2025.

2. BASIS OF PREPARATION AND ADOPTION OF IFRS accounting standards

a. Basis of preparation

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") and applicable as of the reporting date 31 December 2024.

The consolidated financial statements have been prepared on a historical cost basis and are presented in thousand Swiss Francs (in thousand CHF). Due to rounding, numbers presented throughout these consolidated financial statements may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

b. Going Concern

With the cash and cash equivalents as of 31 December 2024 plus the proceeds of the IPO (see note 21), the Company is able to finance its operations well beyond the next 12 calendar months and thus the consolidated financial statements of the Group have been prepared under the going concern assumption.

c. Changes in accounting policies and disclosures

Amendments effective in 2024:

The adoption of the following amendments to the IFRS Accounting Standards which became mandatorily effective from 1 January 2024 has not had any significant impact on the consolidated financial statements of the Group.

- IFRS 16 (Amendments) Lease Liability in a Sale and Leaseback (effective 1 January 2024)
- IAS 1 (Amendments) Classification of Liabilities as Current or Non-current (effective 1 January 2024)
- IAS 7 & IFRS 7 (Amendments) Supplier finance arrangements (effective 1 January 2024)

Notes to the Consolidated Financial Statements

Issued standards not yet adopted:		Effective for annual periods on, or after	Planned adoption by BioVersys
IAS 21	Lack of exchangeability (Amendments)	01 January 2025	Financial Year 2025
IFRS 9 & 7	Classification and Measurement of Financial Instruments (Amendment)	01 January 2026	Financial Year 2026
IFRS 9 & 7	Power Purchase Agreements' (Amendments)	01 January 206	Financial Year 2026
IFRS 18	Presentation and Disclosure in Financial Statements	01 January 2027	Financial Year 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01 January 207	Financial Year 2027

None of the not yet adopted standards or amendments is expected to have a significant impact on the Group financial statements.

d. Basis of consolidation

The consolidated financial statements include the Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

e. Consolidation Scope for the years 2024 and 2023

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed below:

Company	Registered	Currency	Activity	Nominal Capital	Ownership/voting shares
BioVersys AG (Parent Company)	Switzerland	CHF	R&D/HQ	CHF 3,692,285	
BioVersys SAS	France	EUR	R&D	EUR 10,000	100%
BioVersys USA Inc.	USA	USD	dormant	USD 0.50	100%
Guangzhou BioVersys Pharmaceutical Co., Ltd.	China	CNY	R&D	CNY 50,000	100%

HQ: Headquarter

R&D: Research & Development activities

Notes to the Consolidated Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Foreign currency translation

The consolidated financial statements are presented in Swiss francs ("CHF"), which is the functional currency of the Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of monetary assets and liabilities denominated in foreign currencies and from the translation of such items at year-end exchange rates are recognized in profit or loss in the year they arise.

For reporting and consolidation purposes, assets and liabilities of the subsidiaries reporting in foreign currency are translated into the Group's presentation currency (Swiss Francs) using the exchange rate at the reporting date. The respective income statements are translated at the average yearly exchange rates of the reporting year. All resulting translation differences are recognized in other comprehensive income.

The exchange rates used within the Group are as follows:

	Income statement in CHF average yearly exchange rates		Statement of financial position in CHF year-end rates	
	2024	**2023**	**2024**	**2023**
EUR	0.9524	0.9717	0.9385	0.9297
USD	0.8801	0.8988	0.9063	0.8416
CNY	0.1223	n/a	0.1242	n/a

b. Other operating income

Grants received from governmental and other organizations are recognized when there is reasonable assurance that they will be received and that all related conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants in form of below-market interest rates on loans are initially recognized in the balance sheet as deferred income. The grant benefit is recognized in the same periods in which the expenses are charged, thereby matching the benefit with the interest cost.

c. Research and development

Research and development (R&D) expenses consists mainly of compensation and other expense related to R&D personnel, preclinical and clinical studies and other third-party costs related to R&D (i.e., Clinical Research Organizations (CROs), Clinical Development Manufacturing Organizations (CDMOs), etc.). These costs are recognized in the consolidated statement of profit or loss as incurred as long as the criteria for capitalization are not met.

d. Income taxes

Income taxes include current and deferred taxes. Current income taxes are recognized on taxable profits at applicable tax rates of the respective jurisdiction.

Deferred income taxes are calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred

Notes to the Consolidated Financial Statements

taxes are determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and that are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Any changes of the tax rates are recognized in the income statement unless related to items directly recognized in equity or other comprehensive loss.

Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

e. Earnings / (loss) per share

The Group presents basic earnings / (loss) per share for each period in the consolidated financial statements. The basic earnings / (loss) per share is calculated by dividing the net result for the period by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share considers the potential conversion of all dilutive potential ordinary shares.

f. Property, plant and equipment

All property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the useful life of the individual assets or asset categories. The applicable estimated useful lives are as follows:

Laboratory equipment:	8 years
Office equipment:	5 to 8 years
IT hardware:	3 years

The assets' residual values and useful lives are reviewed, and revised if appropriate, at least annually. The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

g. Internal research and development activities

The Group considers that the regulatory and other uncertainties inherent in the development of its product pipeline do not meet the recognition criteria of IAS 38, consequently it does not capitalize research and development costs.

h. Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the expected lease payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Right-of-use assets are initially measured at the amount of the lease liability, initial direct costs incurred, and lease payments made at or before the commencement date. After the initial measurement, lease liabilities increase as

Notes to the Consolidated Financial Statements

a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining expected term of the lease or over the remaining economic life of the asset if this is assessed to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the expected payments over the revised term, which are discounted using a revised discount rate.

i. Cash and Cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less. The cash flow statement is based on cash and cash equivalents.

j. Financial assets

Financial assets of the Group consist of other receivables, current financial assets, restricted funds and cash and cash equivalents. There is the intention to hold them to maturity in order to collect the contractual cash flow, and this cash flow is only for the principal and interest. Therefore, these financial assets are recognized and measured subsequently at amortized cost.

k. Financial liabilities

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs incurred. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss. The warrants are the only financial liability measured at fair value through profit or loss. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortization is included as finance expenses in the consolidated statement of profit or loss.

The fair value measurements are categorized into different levels in the fair value hierarchy based on the input and techniques used. The different levels have been defined as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
– Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

l. Employee benefit liabilities

Pension liabilities:

The Group operates pension plans in Switzerland and France. The French pension plan qualifies as defined contribution plan. The basic Swiss pension plan qualifies as defined benefit plan whereas the Swiss premium pension plan (1e plan) is accounted for as a defined contribution plan.

The Group's obligation regarding the defined contribution plans for each period is determined by the amounts to be contributed for that period, which are expensed in the respective period.

The Swiss pension plan is affiliated to a multi-employer foundation, consequently the benefits in accordance with the regulations are reinsured in their entirety with the respective insurance company within the framework of the corresponding contract. Contributions to these funds are made by both the employees and the Company in accordance with Swiss legal requirements and the plan rules.

Notes to the Consolidated Financial Statements

The Swiss basic pension plan qualifies as defined benefit plan under the IFRS Accounting Standards and provides for an annuity or a lump sum payment on retirement. In addition, the plan covers disability and death-in service. The Group's net obligation in respect of the defined benefit plans is calculated by estimating the amounts of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), considering any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Cash bonus:
The Group recognizes an accrual where contractually obliged or where there is a past practice that has created a constructive obligation. Cash bonuses are based on a formula that takes into consideration the Group's and employee's goal achievements.

m. Share-based payments

The Company classifies its share-based payments as equity-settled awards as they are settled equity. The Company determines the cost of equity-settled share-based payment transactions with employees and others providing similar services at the fair value of such awards at their grant date and does not subsequently remeasure them. That cost is recognized as an expense, together with a corresponding increase in equity (accumulated losses), over the relevant vesting period in line with the graded vesting patterns of the awards. At each reporting date, the Group revises its estimates of the number of options or other equity instruments that are expected to vest. It recognizes the impact of the revision of original estimates, if any, in the consolidated statement of profit or loss and a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

For equity-settled share-based payment transactions with third parties, the cost of the services received and the corresponding increase in equity are measured directly at the fair value of the services received based on their market price.

n. Equity

The costs of equity transactions are accounted for as a deduction from equity. Equity transaction costs are comprised of only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Share premium represents payments or contributions made by shareholders in addition to share capital. Cumulative translation adjustments are the result of different foreign exchange rates used for translation of foreign operations into the presentation currency (CHF) of the Group.

Notes to the Consolidated Financial Statements

o. Change in the Statement of Cash Flows

In 2024, the company revised the presentation of the addition and disposal of current financial assets from an erroneously net to a gross basis. Accordingly, the comparative figures for the full year 2023 have been restated as follows:

	Full year 2023		
in CHF thousands	**as presented**	**changes**	**restated**
Addition of current financial assets	-	(10,834)	(10,834)
Disposal of current financial assets	3,342	10,834	14,176
Net change	**3,342**	**-**	**3,342**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

a. Pension liabilities

The present value of the defined benefit obligations is determined based on actuarial calculations which involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the calculations, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions (see also Note 10).

b. Share-based payments

The Group's share-based payment plans qualify as equity-settled plans and the fair value is determined at the grant date. Share options granted are valued using the Black-Scholes-Merton option valuation model (see Note 11). This valuation model as well as parameters used such as expected volatility, exercise date and expected lifetime of the share options are partially based on management's estimates. The Company estimates the fair value of non-vested share options using a reasonable estimate of market value of the common shares on the grant date of the award.

c. Warrants

The warrants in the connection with the loan from the Basler Kantonalbank (BKB-loan) represent a financial liability measured at fair value through profit or loss. The warrants are valued by applying the Black-Scholes-Merton option valuation model. This valuation model as well as parameter used such as volatility, exercise date and expected lifetime of the warrants are partially based on management's estimates.

Notes to the Consolidated Financial Statements

5. SEGMENT REPORTING

The Group has one operating segment focusing on the research and development and prospective commercialization of antibiotics, which is comprehensively managed by one management team that reports to the Chief Executive Officer, the chief operating decision maker. The Group has operational activities in two countries: Switzerland and France. No revenue from contracts with customers was generated in 2024 and 2023.

The table below provides non-current assets, excluding financial and deferred income tax assets, by geographic area:

	Switzerland		France		Total	
in CHF thousands	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Property, plant & equipment	190	210	18	22	208	232
Right-of-use asset	350	349	-	-	350	349
Total	**540**	**559**	**18**	**22**	**558**	**581**

6. INCOME AND EXPENSES

a. Other operating income

in CHF thousands	**2024**	**2023**
Grant income	479	281
Research tax credit	734	858
Total	**1,213**	**1,139**

The Group received grant income for research grants from different institutions, such as the Swiss Innovation Agency Innosuisse, the CF AMR Syndicate and the Innovative Medicines Initiative (IMI). Those institutions are mainly financed by government organizations and therefore are accounted for as government grants.

The Group benefits from the research tax credit (CIR) which is the main public support mechanism for R&D in France. The tax measure makes it possible to finance R&D activities in form of a government reimbursement of part of eligible R&D expenses.

b. Operating expenses

	Research and Development Expenses		General and Administrative Expenses		Total Operating Expenses	
in CHF thousands	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Personnel expenses	(2,999)	(2,732)	(2,869)	(1,514)	(5,868)	(4,246)
Consumables, services and other operating expenses	(9,836)	(11,978)	(3,949)	(2,339)	(13,785)	(14,317)
Depreciation and amortization	(112)	(115)	(170)	(158)	(282)	(273)
Total	**(12,947)**	**(14,825)**	**(6,988)**	**(4,011)**	**(19,935)**	**(18,836)**

Notes to the Consolidated Financial Statements

c. Finance result

Finance income

in CHF thousands	**2024**	**2023**
Interest income on short-term deposits	497	479
Fair value measurement	431	-
Other finance income	-	7
Total	**928**	**486**

Finance expense

in CHF thousands	**2024**	**2023**
Interest expense on bank loans	(1,014)	(689)
Interest expense on lease liabilities	(7)	(7)
Net interest cost of defined benefit plans	(8)	(5)
Other interest expenses	(8)	(5)
Fair value measurement	-	(214)
Other finance costs	(16)	(10)
Total	**(1,053)**	**(930)**

Interest expense on bank loans is related to the loan from the European Investment Bank (EIB) and the BKB loan. The BKB loan, received in April 2022, is measured at amortized cost using the effective interest method. Although the BKB loan was an interest-free loan, we applied a market interest rate. From 15 December 2023, the loan bears an interest rate of 1.5%. In total this results in CHF 174 thousand interest expenses for the year 2024 (2023: CHF 117 thousand). The warrants granted to the guarantors of the BKB loan are measured at fair value through profit or loss. This valuation resulted in a gain of CHF 431 thousand for the year 2024 (2023: loss of CHF 214 thousand). For further details to the financial liabilities refer to the Note 14.

d. Income tax

The Group's expected tax expense for each year is based on the applicable tax rate in each individual jurisdiction, which ranged between 13.0% and 25.0% for 2024 and between 13.0% and 25.0% for 2023 in the tax jurisdictions in which the Group operates. The weighted average tax rate applicable to the losses of the consolidated entities was 12.4% for 2024 and 12.3% for 2023. The following table shows the reconciliation between expected and effective taxes.

in CHF thousands	**2024**	**2023**
Group's average expected tax rate	12.4%	12.3%
Accounting loss before income tax	(18,719)	(18,301)
Tax income / (expense) at expected weighted tax rate	**2,321**	**2,251**
Unrecognized deferred taxes on tax loss carry-forwards	(1,874)	(2,502)
Tax exempt income	234	250
Non-deductible expenses	(689)	-
Other effects	8	1
Effective tax expense reported in profit or loss	**-**	**-**

Notes to the Consolidated Financial Statements

The Group's accumulated taxable losses in Switzerland may be used as tax loss carry forwards to offset future taxable income over a period of seven years. No deferred tax assets have been recognized for these losses because the Company does not have a history of sustainable taxable profits, increasing research costs are expected to be incurred in the foreseeable future and future revenues are highly volatile and uncertain. Below is the maturity of the Group's reportable losses:

in CHF thousands	**2024**	**2023**
Within one year	4,016	2,815
Between one and five years	32,034	23,569
More than five years	33,575	31,680
Total	**69,625**	**58,064**

The Group did not recognize deferred tax assets on the following temporary differences and tax losses:

in CHF thousands	**2024**	**2023**
Intangible assets	1,511	1,156
Employee benefit obligations	840	546
Financial liabilities	53	370
Tax loss carry forwards	69,625	58,064
Total	**72,029**	**60,136**

7. PROPERTY, PLANT AND EQUIPMENT

in CHF thousands	**Laboratory equipment**	**Office equipment**	**IT hardware**	**Total**
Acquisition cost:				
Balance at 1 January 2023	**374**	**14**	**141**	**529**
Acquisitions	36	4	9	49
Disposals	-	-	(38)	(38)
Currency translation	(1)	-	(1)	(2)
Balance at 31 December 2023	**409**	**18**	**111**	**538**
Acquisitions	27	-	11	38
Disposals	-	-	-	-
Currency translation	-	-	-	-
Balance at 31 December 2024	**436**	**18**	**122**	**576**

Notes to the Consolidated Financial Statements

in CHF thousands	Laboratory equipment	Office equipment	IT hardware	Total
Accumulated depreciation:				
Balance at 1 January 2023	**(170)**	**(4)**	**(115)**	**(289)**
Depreciation expense	(39)	(2)	(14)	(55)
Disposals	-	-	38	38
Balance at 31 December 2023	**(209)**	**(6)**	**(91)**	**(306)**
Depreciation expense	(45)	(2)	(15)	(62)
Disposals	-	-	-	-
Balance at 31 December 2024	**(254)**	**(8)**	**(106)**	**(368)**
Net book value:				
1 January 2023	**204**	**10**	**26**	**240**
31 December 2023	**200**	**12**	**20**	**232**
31 December 2024	**182**	**10**	**16**	**208**

8. RIGHT-OF-USE ASSET

The right-of-use asset relates to the lease of the facility in Switzerland, which includes office and laboratory space. Movements of the right-of-use asset are summarized below:

in CHF thousands	2024	2023
Balance as of 1 January	**349**	**345**
Depreciation charge for the period	(220)	(217)
Additions	221	221
Balance as of 31 December	**350**	**349**

The additions of the right-of-use-asset represent the increase of the lease liability related to the extension of the contractual lease term.

9. PREPAID EXPENSES AND OTHER RECEIVABLES

in CHF thousands	2024	2023
Prepaid expenses	491	295
Tax receivables	1,260	1,035
Other receivables	28	1,030
Total	**1,779**	**2,360**

Prepaid expenses are primarily related to R&D prepayments, the tax receivables mainly include receivables for research tax credit (CIR) and other receivables primarily consists of receivables from grant income.

Notes to the Consolidated Financial Statements

10. EMPLOYEE BENEFIT LIABILITIES

In accordance with the Swiss pension fund law "Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision" ("OPA"), BioVersys AG, Basel is affiliated with Swiss life as a multi-employer foundation. Consequently, the benefits in accordance with the regulations are reinsured in their entirety with Swiss Life. The basic pension plan provides for retirement benefits, as well as risk benefits (death and disability). Pension assets are invested in secure long-term investments and in collective investment schemes. There are no investments in shares of BioVersys AG. The accumulated savings capital is allocated to each insured individual and consists of annual contributions, saving credits and interest credits.

The following tables summarize the components of net pension expenses recognized in the profit or loss and amounts recognized in the consolidated statement of financial position as well the respective actuarial assumptions in relation with the defined benefit pension plan for Swiss employees:

	For the Years Ended 31 December	
in CHF thousands	**2024**	**2023**
Discount rate	1.00%	1.50%
Future salary increases	2.00%	2.00%
Mortality	BVG 2020 GT	BVG 2020 GT

in CHF thousands		
Reconciliation of the amount recognized in the statement of financial position	**2024**	**2023**
Present value of the defined benefit obligation	6,082	4,616
Fair value of plan assets	(5,242)	(4,070)
Net defined benefit liability	**840**	**546**

Components of pension expenses in profit or loss	**2024**	**2023**
Current service cost	120	83
Past service cost	(22)	-
Administration cost	3	3
Interest expense on defined benefit obligation	69	69
Interest income on plan assets	(61)	(64)
Pension expenses in profit or loss	**109**	**91**

Remeasurements in other comprehensive income	**2024**	**2023**
Actuarial (gain) & loss from changes in demographic assumptions	-	-
Actuarial (gain) & loss from changes in financial assumptions	301	255
Actuarial (gain) & loss from experience adjustments	131	29
(Return) on plan assets excl. interest income	(94)	90
Total	**338**	**374**

Reconciliation of net defined benefit liability	**2024**	**2023**
Net defined benefit liability, beginning of the period	546	218
Defined benefit cost recognized in profit or loss	109	91
Defined benefit cost recognized in other comprehensive income	338	374
Ordinary contributions paid by employer	(153)	(137)
Defined benefit liability recognized in the statement of financial position	**840**	**546**

Notes to the Consolidated Financial Statements

Reconciliation of present value of the defined benefit obligation	**2024**	**2023**
Defined benefit obligation, beginning of period	4,616	2,992
Current service cost	120	83
Past service cost	(22)	-
Administration costs	3	3
Ordinary contributions paid by employees	153	137
Interest expense on defined benefit obligation	69	69
Transfer paid in / (paid out)	711	1,047
Actuarial (gain) / loss on defined benefit obligation	432	284
Defined benefit obligation end of period	**6,082**	**4,616**

Reconciliation of the fair value of plan assets	**2024**	**2023**
Fair value of plan assets, beginning of period	4,070	2,774
Interest income on plan assets	61	64
Ordinary contributions paid by employer	153	137
Ordinary contributions paid by employees	153	137
Transfer paid in / (paid out)	711	1,047
Return on plan assets excl. interest income	94	(90)
Fair value of plan assets, end of period	**5,242**	**4,070**

Past service costs include the impact of the changes of the conversion rate in the year 2024.

Employer's contributions expected to be made to the Swiss pension plan for the year ending 31 December 2025 are CHF 160 thousand. At the reporting date, the weighted average duration of the defined benefit obligation for the Swiss pension plan was 17.2 years (2023: 16.9 years).

Sensitivity to changes in assumption:

in CHF thousands	**Discount rate**		**Future salary increase**		**Mortality assumptions**	
Change of assumptions as of 31.12.2024	**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**	**+1 year**	**-1 year**
Potential defined benefit obligation	5,699	6,520	6,088	6,076	6,149	6,015
(Decrease) / increase from actual defined benefit obligation	(383)	438	6	(6)	67	(67)
Change of assumptions as of 31.12.2023	**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**	**+1 year**	**-1 year**
Potential defined benefit obligation	4,344	4,925	4,616	4,616	4,662	4,570
(Decrease) / increase from actual defined benefit obligation	(272)	309	-	-	46	(46)

The French pension plan and the Swiss premium pension plan accounted for as defined contribution plans are funded through payments by employees and by the Group to funds administered by third parties. The Group's expenses for these plans were CHF 119 thousand (2023: CHF 121 thousand). No assets or liabilities are recognized in the Group's balance sheet in respect of such plans, apart from regular prepayments and accruals of the contributions withheld from employees' wages and salaries and of the Group's contributions.

Notes to the Consolidated Financial Statements

11. SHARE-BASED PAYMENT

Employee stock option plan (ESOP):

The current stock option plan was approved by the Board of Directors in March 2018. Beneficiaries of the plan are members of the Board of Directors, management, other employees and certain advisors providing services similar to the services provided by employees.

Each option entitles its holder to purchase one common share of the Company at a pre-defined exercise price. The number of options granted to each participant was determined by the Board of Directors based on the participant's position and level of responsibility. Unless not specified otherwise, the options generally vest quarterly over three years. Options granted to members of the Board of Directors vest over one year. The expenses are recognized pro rata as per the graded vesting schedule starting generally from grant date until vesting date.

The following table summarizes share option awards granted in 2024 and 2023:

	2024	2023
Quarterly vesting over period of 3 years from grant date	9,975	9,525
Quarterly vesting over period of 1 year from grant date	8,010	10,373
Vested at grant date	48,065	-
Total	**66,050**	**19,898**

The total expense recognized in the profit or loss for options granted amounts to CHF 1,652 thousand for the year 2024 and to CHF 341 thousand for the year 2023. In general, the options are granted as of 1 April and the fair value of the options is calculated as of this date. If there are material additional grants on another date, a separate valuation is prepared. The following table illustrates the assumptions for the Black-Scholes-Merton option valuation model used in determining the fair value of these awards:

	2024	2023
Share price	CHF 28.80	CHF 27.00
Fair value of options	CHF 24.19 to 24.63	CHF 21.15
Risk free interest rate	0.79% to 0.99%	0.84% to 1.17%
Expected term	1.2 - 3.0 years	0.1 - 3.0 years
Expected volatility	60.0% to 69.0%	62.9% to 71.8%
Dividend yield	-	-

The expected share price volatility of the Group for the option pricing model was determined based on the share price volatility of its competitors to predict the share performance.

Notes to the Consolidated Financial Statements

The number and weighted average exercise prices of options under the Plan are as follows:

	Number of Options	Weighted Average Exercise Price (CHF)	Range of Expiration Dates
Outstanding at 1 January 2023	87,736	5.00	1-10 years
Forfeited and cancelled during the year	(1,356)	1.00	n/a
Exercised	(19,727)	1.00	n/a
Granted during the year	19,898	1.00	10 years
Outstanding at 31 December 2023	**86,551**	**5.06**	**1-10 years**
Exercisable at 31 December 2023	71,898	5.88	
Outstanding at 1 January 2024	86,551	5.06	1-10 years
Forfeited and cancelled during the year	-	-	n/a
Exercised	(4,835)	1.00	n/a
Granted during the year	66,050	1.00	10 years
Outstanding at 31 December 2024	**147,766**	**3.38**	**1-10 years**
Exercisable at 31 December 2024	131,834	3.66	

Long-term incentive plan (LTIP):
The current long-term incentive plan was approved by the Board of Directors in October 2020. The long-term incentive plan is to provide selected management (executives and directors) and employees, considered critical for retention purposes, with an opportunity to be awarded with BioVersys shares. The long-term incentive plan enables a minimum share ownership for the participant at the date of grant as determined by the Board of Directors. The awards under the LTIP can be granted in form of either Performance Share Units (PSUs) or ESOPs. So far, all compensations under the LTIP have been granted in the form of ESOPs and there were no grants of PSUs. All ESOP issuances under the LTIP have been included in the previous section.

CRV Agreement:
BioVersys settles a part of the amount owed to Clinical Research Venture Partner LLC (CRV) for clinical trial services provided by its affiliated entities to the Group in preferred shares of the Company. The arrangement represents equity-settled share-based payments. The cost of services provided, and the corresponding increase in equity (accumulated losses), are measured at the fair value of the services received based on their market price. For the year ended 31 December 2024 services in the amount of CHF 204 thousand (2023: 1,382) have been accumulated and recognized as expense with a corresponding booking to equity (accumulated losses). The expense is booked over the time as services are provided. During 2024 CHF 204 thousand were converted into preferred shares (2023: CHF 1,992 thousand). At year end 2024, the recognized amount in the accumulated losses for the second CRV contract is CHF 0 thousand (2023: CHF 0 thousand).

Notes to the Consolidated Financial Statements

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash balances held at banks and short-term deposits with original maturities of three months or less in the following currencies:

in CHF thousands	**2024**	**2023**
Cash	9,965	5,511
Short-term deposits	16,654	18,865
Total	**26,619**	**24,376**

By currency	**2024**	**2023**
Swiss Franc	13,866	9,495
Euro	4,848	11,869
US Dollar	2,182	3,008
Renminbi	5,285	-
Other	438	4
Total	**26,619**	**24,376**

13. CURRENT FINANCIAL ASSETS AND RESTRICTED FUNDS

Current financial assets consist of short-term deposits with original maturities of more than 3 months. The following current financial assets are recognized and measured subsequently at amortized costs.

in CHF thousands	**2024**	**2023**
Short-term deposits	6,000	4,000
Total	**6,000**	**4,000**

Short-term deposits are denominated in Swiss Franc.

The position restricted funds of CHF 2,850 thousand as of 31 December 2023 consisted of prepayments relating to the Series C capital increase completed on 31 May 2024.

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14. FINANCIAL LIABILITIES

in CHF thousands	EIB loan	Covid-19 bank loans	Warrants	Lease liability	Put option redemption liability	Total financial liabilities
Balance at 1 January 2023	**5,399**	**2,872**	**1,317**	**354**	**-**	**9,942**
Borrowings / increase	7,383	-	-	221	-	7,604
Repayment	-	(30)	-	(221)	-	(251)
Interest accrued	568	118	-	7	-	693
Interest paid	-	(1)	-	(7)	-	(8)
Fair value measurement	-	-	215	-	-	215
Currency translation	(733)	-	-	-	-	(733)
Balance at 31 December 2023	**12,617**	**2,959**	**1,532**	**354**	**-**	**17,462**
Thereof current	-	30	1,532	222	-	1,784
Thereof non-current	12,617	2,929	-	132	-	15,678
Balance at 1 January 2024	**12,617**	**2,959**	**1,532**	**354**	**-**	**17,462**
Borrowings / increase	-	-	-	220	5,113	5,333
Repayment / decrease	-	(30)	-	(221)	(5,176)	(5,427)
Interest accrued	838	176	-	7	-	1,021
Interest paid	-	(62)	-	(7)	-	(69)
Fair value measurement	-	-	(431)	-	-	(431)
Currency translation	114	-	-	-	63	177
Balance at 31 December 2024	**13,569**	**3,043**	**1,101**	**353**	**-**	**18,066**
Thereof current	-	2,983	1,101	221	-	4,305
Thereof non-current	13,569	60	-	132	-	13,761

On September 23, 2024, the Company issued a put option ("NCI Put Option") to the non-controlling interest holder of BioVersys China, the investment firm Guangzhou Sino-Israel Bio-Industry Investment Fund 2 LLP ("GIBF"), providing them with the option to contribute its interest of 40% in BioVersys China to the Company in exchange for Shares at a fixed exercise price per share. The conversion amount upon exercise is denominated in RMB and therefore, the ultimate number of Shares to be issued was impacted by the RMB/CHF foreign exchange volatility. The NCI Put Option could be exercised at any time following the lapse of the contractually agreed lockup period of 24 months or within 30 days of an exit event, such as an IPO of the Company. The Company simultaneously held a call option ("Call Option") to require GIBF to contribute its interest of 40% in BioVersys China to the Company in exchange for Shares at a fixed exercise price per share. The Call Option was entered into on the same date as the NCI Put Option and had the same pricing conditions as the NCI Put Option. The Call Option could be exercised any time after three months following the closing of the agreement. The Company exercised the Call Option in December 2024.

The combination Call Option/NCI Put Option has been accounted for as a financial liability equivalent to the present value of the redemption amount upon exercise of the NCI Put Option. Any changes to this financial liability were recognized through profit or loss. As the Company had beneficial ownership of the non-controlling interests, these have been considered acquired as of September 23, 2024. The option exercise has been completed on December 23, 2024, and the non-controlling interest holder received 161,737 preference shares in the Company in exchange for its interest of 40% in BioVersys China.

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In April 2022 BioVersys AG received from the Basler Kantonalbank a subordinated loan of CHF 4.0 million in connection with the COVID-19 Start-up-warranty ordinance of the canton of Basel-Stadt (SG 819.872). 90% of the nominal amount received is guaranteed by the Canton of Basel-Stadt and 10% by two individuals (5% each). The loan is due on 29 February 2032 or earlier in the case of a corporate transaction (such as a change of control or an IPO). The bank loan is initially recognized at fair value which represents the present value of the expected cash flows using a market-interest rate of 4.3%. From 15 December 2023, the loan bears an interest rate of 1.50% on the nominal amount of the loan, compared with 0.00% previously. The increase of the interest rate resulted in an effective interest rate of 6.1%. The loan is subsequently measured at amortized costs.

As a compensation for the surety and bank guarantee, the Company granted warrants to the guarantors mentioned above, which allow them to subscribe to 145,666 of the Company's preferred shares (refer to note 15.b) at a fixed price of CHF 27.46 at any time during the term of the loan. Furthermore, in the case of no corporate transaction prior to 8 December 2031, the holders of the warrants have a right to request cash settlement of the warrants at their fair value. Due to this fact, the warrant agreements are classified as liability, initially recognized at fair value and subsequently measured at fair value through profit or loss. The fair value is determined by using the Black-Scholes-Merton option valuation model. The valuation contains inputs which are not based on observable market data and therefore represent unobservable inputs (level 3).

The following table illustrates the assumptions for the Black-Scholes-Merton option valuation model used in determining the fair value of the warrants:

	31 December 2024	31 December 2023
Share price	CHF 32.00	CHF 32.00
Fair value of warrants	CHF 7.56	CHF 10.52
Risk free interest rate	0.12% to 0.18%	0.66% to 1.11%
Expected term	1.23 years	2.14 years
Expected volatility	61.92%	61.43% to 67.41%

Sensitivity to changes in assumptions:

in CHF thousands	Expected term		Expected volatility	
Change of assumptions as of 31.12.2024	**- 0.5 years**	**+ 0.5 years**	**-5%**	**+5%**
Total Fair Value of warrants	763	1,319	1,040	1,162
(Decrease) / increase from Fair Value of warrants	(339)	218	(61)	61
Change of assumptions as of 31.12.2023	**- 0.5 years**	**+ 0.5 years**	**-5%**	**+5%**
Total Fair Value of warrants	1,343	1,689	1,446	1,616
(Decrease) / increase from Fair Value of warrants	(189)	157	(86)	84

To secure liquidity, the Group has drawn down in the year 2021 a COVID-19 bank loan from the Zürcher Kantonalbank. The Covid-19 loan was interest-free until March 2023 and bear from April 2023 on, interest at 1.50%. The term of this loan is until September 2027 with a semi-annual repayment component. As long as the COVID-19 loan in Switzerland has not been repaid, BioVersys AG may not distribute dividends and may not make any repayments of capital contributions. In addition, there are further restrictions regarding the granting and repayment of loans to affiliated companies and shareholders.

In March 2021 BioVersys AG agreed on a loan agreement with the European Investment Bank (EIB) for in total up to EUR 20.0 million which consists of three tranches. The first tranche of EUR 5.0 million was drawn down on 20 August 2021 with an interest rate of 6.75 % and a maturity date of 20 August 2027. The second tranche of EUR 7.5 million

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was drawn down on 13 July 2023 with an interest rate of 6.50 % and a maturity date of 13 July 2029. The related interest expenses are accrued over the terms and become due at maturity date. The availability of the third tranche of EUR 7.5 million is dependent on several conditions, which are not yet met. Refer also to note 17 commitments and contingencies regarding the royalty agreement with EIB in connection with this loan.

The lease liabilities relate to the lease of the facility in Switzerland. Refer also to note 8 right-of-use asset.

15. EQUITY

a. Share capital

	number of shares		in CHF thousands
	Common shares	**Preferred shares**	**Share capital**
Balance at 1 January 2023	**304,092**	**2,669,005**	**2,973**
Issuance of shares	19,727	66,418	86
Balance at 31 December 2023	**323,819**	**2,735,423**	**3,059**
Balance at 1 January 2024	**323,819**	**2,735,423**	**3,059**
Issuance of shares	4,835	628,208	633
Balance at 31 December 2024	**328,654**	**3,363,631**	**3,692**

As of 1 January 2023, the Company had 2,973,097 shares outstanding with a nominal value of CHF 2,973 thousand. These shares are divided into 304,092 common shares with a nominal value of CHF 1 each and 2,669,005 preferred shares with a nominal value of CHF 1 each. The holders of preferred shares possess priority over the holders of common shares in the event of liquidation of the Company. Furthermore, there is an anti-dilution adjustment for the holders of preferred shares. These preferences don't have any impact on the earnings / loss per share disclosed in note 20.

During 2023 19,727 share options to receive common shares of BioVersys AG were exercised by employees or board members. The capital increase of CHF 20 thousand was completed at par. On 21 December 2023 66,418 preferred shares with a nominal value of CHF 1 per share have been issued by converting the credits of CRV into equity. The CRV agreement is classified as equity-settled share-based payments (see also Note 11). At the time of the capital increase, services in the amount of CHF 1,992 thousand have been accumulated and converted into equity. The excess of CHF 1,926 thousand was allocated to share premium.

On 31 May 2024, the Company issued 397,948 preferred shares with a nominal value of CHF 1 per share in exchange for cash. The gross cash proceeds were CHF 12,734 thousand and the excess of CHF 12,336 thousand above nominal value was allocated to share premium.

As of 13 June 2024, 4,193 preferred shares with a nominal value of CHF 1 per share have been issued by converting the credits of CRV into equity. The CRV agreement is classified as equity-settled share-based payments (see also Note 11). At the time of the capital increase, services in the amount of CHF 126 thousand have been accumulated and converted into equity. The excess of CHF 122 thousand was allocated to share premium. In addition to the CRV conversion, the Company issued as of 13 June 2024 61,739 preferred shares with a nominal value of CHF 1 per share in exchange for cash. The gross cash proceeds were CHF 1,976 thousand and the excess of CHF 1,914 thousand above nominal value was allocated to share premium.

On 18 December 2024, 2,591 preferred shares with a nominal value of CHF 1 per share have been issued by converting the credits of CRV into equity. The CRV agreement is classified as equity-settled share-based payments (see also Note 11). At the time of the capital increase, services in the amount of CHF 78 thousand have been accu-

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mulated and converted into equity. The excess of CHF 75 thousand was allocated to share premium. During 2024 4,835 share options to receive common shares of BioVersys AG were exercised by employees or board members. The capital increase of CHF 5 thousand was completed at par.

As of December 23, 2024, the Company issued 161,737 preferred shares with a nominal value of CHF 1 per share, as consideration for the 40% interest in BioVersys China, contributed as contribution in kind. The contribution value per preferred share amounted to CHF 5,176 thousand and the excess of CHF 5,014 thousand above nominal value was allocated to share premium.

As of 31 December 2024, the Company had 3,692,285 shares outstanding for CHF 3,692 thousand. These shares are divided into 328,654 common shares and 3,363,631 preferred shares, each with a nominal value of CHF 1.

b. Transaction costs

In the year 2024, total equity transaction costs amounted to CHF 836 thousand (2023: CHF 22 thousand). Of this amount, CHF 542 thousand was related to capital increases in 2024, and CHF 294 thousand was associated with the capital increase on 6 February 2025 (refer to note 21). From the transaction costs recorded in 2024, only CHF 383 thousand (2023: CHF 22 thousand) were paid during the reporting period.

c. Conditional share capital

As of 31 December 2024, the Company has conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 275 thousand through the issue of a maximum of 274,694 registered common shares. This conditional share capital is exclusively reserved for the exercise of option rights which are granted to employees, board members and advisors providing similar services.

Additionally, as of 31 December 2024 the Company has conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 146 thousand through the issue of a maximum of 145,666 registered preferred shares. This conditional share capital is exclusively reserved for the exercise of option rights granted to the guarantors of the loan in connection with the COVID-19 Start-up-warranty ordinance of the canton of Basel-Stadt (SG 819.872) and a respective warranty agreement with those guarantors.

Furthermore, the share capital of the Company may be increased by an amount of no more than CHF 27 thousand through the issue of no more than 26,798 new registered preferred shares with a nominal value of CHF 1 each, to be fully paid up. The increase of the share capital shall occur by virtue of the exercise of options rights granted to Clinical Research Venture Partners LLC in connection with a respective CRV Investment Agreement.

d. Capital Range

The Company has a capital range ranging from CHF 3,070,861 (lower limit) to CHF 4,008,361 (upper limit). The board is authorized within the capital range to increase the share capital once or several times and in any amounts, until 22 June 2026 or until an earlier expiry of the capital range. The capital increase may be effected by issuing up to 937,500 fully paid-in registered preferred shares with a nominal value of CHF 1 each.

Notes to the Consolidated Financial Statements

16. OTHER CURRENT LIABILITIES AND ACCRUED EXPENSES

Other current liabilities

in CHF thousands	**2024**	**2023**
Prepayments capital increase	-	2,850
Prepayments grant income	1,149	1,074
Other payables	67	167
Total other current liabilities	**1,216**	**4,091**

Prepayments capital increase consist of the received cash for the capital increase, refer to note 13. The position prepayments grant income includes cash already received for future R&D activities.

Other payables comprise mainly payroll related liabilities / outstanding social securities.

Accrued expenses

in CHF thousands	**2024**	**2023**
Payroll related accrual	703	601
Accrued R&D expense	1,088	1,045
Accrued G&A expense	1,655	557
Total accrued expenses	**3,446**	**2,203**

17. COMMITMENTS AND CONTInGENCIES

On 27 February 2019, the Group entered into a worldwide, royalty-bearing, sublicense agreement with EXBAQ relating to BV100. The Group shall pay development and commercial milestones depending on the project progress. Furthermore, the Group is obligated to pay royalties of mid-single-digit percentage on net sales of licensed products or Rifabutin formulations in countries with a valid USC/EXBAQ claim. For the year 2024, the Group paid an annual minimum royalty and a development milestone fee of CHF 93 thousand (2023: CHF 2 thousand). Due to the uncertainties regarding the regulatory approval and/or the realization of future revenues for those projects, the Group didn't recognize any asset or liability related to this sublicense agreement in these consolidated financial statements.

The Group agreed on a loan agreement in 2021 with EIB (see Note 14). EIB and BioVersys have agreed that BioVersys shall pay a royalty fee as part of the Bank's compensation package in exchange for EIB providing the loan, being a variable compensation element under the loan agreement. BioVersys shall pay to EIB after each financial year during the royalty calculation period (10 years starting from the first payment date following the commercialization), a low single-digit percentage royalty fee determined for that financial year, based on the net sales of the projects BV100 and alpibectir. The percentage for calculating the royalties is decreasing with higher sales volume. The agreement includes a royalty buyout fee in case of a voluntary or mandatory repayment of the outstanding loan. At the reporting date no repayment of the outstanding loan amount is planned and the Group estimates the likelihood of a mandatory repayment as low. The Group didn't recognize any asset or liability related to this royalty agreement in these consolidated financial statements.

On 22 May 2023, the Group signed a license agreement with SATT NORD, acting as an agent of the University of Lille, relating to the project alpibectir. SATT NORD agreed to assign all rights to the patents to BioVersys. BioVersys is obligated to pay royalties of below one percent on net sales and low mid-single-digit percentage on sublicense income for alpibectir invoiced by BioVersys. Due to the uncertainties regarding the regulatory approval and/or the realization of future revenues for the project alpibectir, the Group didn't recognize any asset or liability related to this agreement in these consolidated financial statements.

Notes to the Consolidated Financial Statements

The Group has entered into an asset purchase agreement dated as of 29 March 2019 with Melinta Therapeutics Inc. for intellectual property regarding the project BV300. Based on the agreement the Group shall pay commercial milestones of up to USD 30 million upon reaching certain aggregated sales thresholds. Due to the uncertainties whether the project BV300 will be continued, the Group didn't recognize any asset or liability related to this agreement in these consolidated financial statements.

CF AMR Syndicate awarded the Group on 22 May 2024 with funding to support the project addressing resistant non-tubercular mycobacteria (NTM) lung infections in people with cystic fibrosis. BioVersys is obligated to make a one-time milestone payment of five times the total funding amount in case the cumulative sales milestone has been achieved. Due to the uncertainties regarding regulatory approval and/or the realization of future revenues for project BV500, the Group didn't recognize any asset or liability related to this agreement in these consolidated financial statements.

18. RELATED PARTY DISCLOSURES

Key management, including the Board of Directors and the Executive Management compensation were:

in CHF thousands	**2024**	**2023**
Salaries and other short-term employee benefits	1,391	1,369
Pension	113	123
Share-based payments	1,507	233
Total	**3,011**	**1,725**

Short-term employee benefits comprise of salaries, bonuses, social security and expense allowance.

19. FINANCIAL RISK MANAGEMENT/ FINANCIAL INSTRUMENTS

19.1 Overview

BioVersys is a clinical stage biotech group and focusing on researching and developing next-generation antimicrobial drugs for multidrug resistant bacterial infections. Linked to these activities and its current setup, the Group is exposed to certain financial risks, mainly liquidity risk and interest rate risk. To a smaller extent the Group is also impacted by the foreign exchange rate risk. Since the Group has no revenue from products yet, it is dependent on external financing, hence the focus of the Group's financial risk management lies on securing the liquidity to finance its R&D activities and consequently invest its cash only in highly liquid instruments and deposit it only with highly rated financial institutions.

The Group's principal financial instruments are short-term bank deposits and short- and long-term bank loans, lease liabilities, receivables, other financial assets and liabilities and cash and cash equivalents.

19.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity management is performed by the Group finance department based on cash flow forecasts which are prepared on a rolling basis and focus mainly on ensuring that the Group has sufficient cash to meet its operational needs. The Group's liquidity needs have been historically satisfied by raising capital through financing rounds with external investors and by receiving research grants.

Notes to the Consolidated Financial Statements

The following table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Liquidity risk

in CHF thousands	**31.12.2024**	**Less than one year**	**Over one year**	**31.12.2023**	**Less than one year**	**Over one year**
Financial liabilities	**22,786**	4,251	18,535	**22,824**	259	22,565
Trade payabales	**706**	706	-	**1,290**	1,290	-
Other current liabilities (excl. prepayments from grants)	**67**	67	-	**3,017**	3,017	-
Accrued expenses	**2,743**	2,743	-	**1,601**	1,601	-
Total	**26,302**	**7,767**	**18,535**	**28,732**	**6,167**	**22,565**

19.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As described in note 14, the Group has drawn down two of three tranches from the EIB bank loan with fixed interest rates of 6.75% and 6.50% respectively and maturity dates August 2027 and July 2029 respectively. Consequently, there is no immediate interest rate change risk related to these financial instruments. The subordinated loan of CHF 4.0 million from the Basler Kantonalbank was initially interest-free and is not linked to market interest rate. However, the bank has the right to negotiate a new interest rate starting January 2023 and therefore since mid-December 2023, the applied interest rate is 1.50%. Any investments in marketable, fixed-income instruments are short-term and are expected to be held to maturity, therefore not bearing any material interest rate risk. Other financial instruments of the Group are not bearing interest and are therefore not subject to interest rate risk. The Group does not enter into derivatives to hedge interest rate risks.

19.4 Foreign currency risk

The Group has foreign currency exposures due to the business transactions between its subsidiaries. Additional foreign currency exposure arises on the above-mentioned EIB loan since the loan is denominated in EUR and the functional currency of BioVersys AG is CHF. Some cash and cash equivalents, receivables, current financial assets, trade payables and other financial liabilities are denominated in currencies other than the functional currency of the operations and therefore bear foreign currency risks. The Group does not enter into derivative transactions to hedge the foreign currency risk.

The following table demonstrates the sensitivity of possible changes in the EUR and USD exchange rate on the Group's net loss for the period and on equity.

	2024		**2023**	
in CHF thousands	**Impact on net loss for the period**	**Impact on equity**	**Impact on net loss for the period**	**Impact on equity**
Change in rate				
+5% EUR	(436)	(436)	(37)	(37)
-5% EUR	436	436	37	37
+5% USD	109	109	150	150
-5% USD	(109)	(109)	(150)	(150)
+5% CNY	264	264	-	-
-5% CNY	(264)	(264)	-	-

Notes to the Consolidated Financial Statements

19.5 Credit risk

As of 31 December 2024, there is no material credit risk to the Group. The maximum exposure is the carrying amount of cash, current financial assets, prepayments and receivables. Cash and cash equivalents and current financial assets are held with financial institutions with at a minimum A ratings (Standard & Poor's long-term credit rating). There is no concentration of credit risk within the Group.

19.6 Capital management

The Group defines the capital that it manages as the sum of interest-bearing liabilities and equity. One of the main goals of the Group's capital management is to raise funds to ensure that there is enough liquidity to carry on the Group's operation, and also to ensure that the Group is not entering into an unfavorable going concern situation. Since its incorporation, the Group has primarily funded its activities through equity capital increases, loans and non-dilutive grants.

19.7 Categories of financial instruments and fair value disclosures

Except for the warrants, all financial assets and liabilities are accounted for at amortized cost. The warrants are measured at fair value through profit or loss. The following table shows the carrying amounts of financial assets and liabilities:

in CHF thousands

Financial assets	**2024**	**2023**
Other receivables	28	1,030
Current financial assets	6,000	4,000
Restricted funds	-	2,850
Cash and cash equivalents	26,619	24,376
Total	**32,647**	**32,256**

in CHF thousands

Financial liabilities	**2024**	**2023**
Financial liabilities	18,066	17,462
Trade payables	706	1,289
Other current liabilities (excl. prepayments from grants)	67	3,017
Accrued expenses	2,743	1,601
Total	**21,582**	**23,369**

Due to their short-term nature, the carrying value of cash and cash equivalents, restricted funds, current financial assets, other receivables, trade and other payables and accrued expenses approximates their fair value. The financial liabilities consist of the EIB loan, Covid-19 loans, Warrants and lease liabilities. The fair value of the EIB loan CHF 13,569 thousand (level 2) and of the Covid-19 loans CHF 3,042 thousand (level 2) represents the nominal value including any accrued interest expenses. The warrants CHF 1,101 thousand (level 3) are measured at fair value and therefore there is no difference to the carrying amount.

Notes to the Consolidated Financial Statements

20. EARNINGS / LOSS PER SHARE

Since the Group has net loss for all periods presented, basic net loss per share is the same as diluted net loss per share. We have excluded from our calculation of diluted loss per share all potentially dilutive securities, as these awards would have been anti-dilutive.

	2024	2023
Net loss for the period - in CHF thousands	(18,719)	(18,301)
Loss per share		
Basic and diluted loss for the period - in CHF	(5.62)	(6.13)
Weighted-average number of shares used to compute loss per share basic and diluted	3,332,340	2,985,993

Potentially dilutive securities that were not included in the diluted per share calculations as they would be anti-dilutive were as follows:

	31 December	
	2024	2023
Options and warrants outstanding	293,432	232,218

21. SUBSEQUENT EVENTS

BioVersys AG was listed on the SIX Swiss Exchange on February 7, 2025. The company issued on February 6, 2025 2,083,333 new registered shares with a nominal value of CHF 1 per share by capital increase within the capital band. The share price was CHF 36, resulting in total gross proceeds of CHF 75.0 million. At the time of the IPO, all previously existing preferred shares were converted into common shares. As part of the IPO the Company has granted the Joint Global Coordinators an over-allotment option of up to 138,888 shares. This option has been partially exercised following end of stabilization period. The company issued 47,862 new registered shares on March 17, 2025 with a nominal value of CHF 1 per share by capital increase within the capital band. The share price was CHF 36, which resulted in the Company receiving CHF 1.7 million. The total number of new shares issued by BioVersys in connection with its IPO amounted to 2,131,195 and the number of BioVersys shares outstanding increased to 5,823,480.

There were no other material subsequent events to report and no events out of the ordinary course of business.

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To the General Meeting of
BioVersys Ltd, Basel

Basel, 25 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of BioVersys Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss, the consolidated statement of comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (pages 38 to 66).

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

René Buchmann
(Qualified Signature)
Licensed audit expert
(Auditor in charge)

Adrian Hottiger
(Qualified Signature)
Licensed audit expert

FINANCIAL REPORT 2024

FINANCIAL STATEMENTS BIOVERSYS AG

Balance sheet as at 31 December 2024

in CHF thousands	**2024**	**2023**
Cash and current financial assets	26,846	30,429
Accounts receivable	-	1,002
Other accounts receivable	475	213
Prepaid expenses to third parties	273	240
Prepaid expenses to affiliated companies	78	-
Current assets	**27,672**	**31,884**
Participations	5,191	12
Property, plant, equipment	190	210
Intangible assets	1,510	1,155
Non-current assets	**6,891**	**1,377**
ASSETS	**34,563**	**33,261**
Accounts payable to third parties	269	1,040
Accounts payable to affiliated companies	16	-
Other current liabilities	1,183	4,063
Accrued expenses from third parties	3,106	1,762
Accrued expenses from affiliated companies	-	2,101
Current financial liabilities	4,030	30
Current liabilities	**8,604**	**8,996**
Non-current financial liabilities	13,629	16,708
Provisions	1,176	1,288
Non-current liabilities	**14,805**	**17,996**
Liabilities	**23,409**	**26,992**
Share capital	**3,692**	**3,059**
Reserves from capital contributions	87,398	68,773
Statutory capital reserves	**87,398**	**68,773**
Loss carried forward	(65,563)	(46,376)
Annual loss	(14,373)	(19,187)
Accumulated losses	**(79,936)**	**(65,563)**
Shareholders' equity	**11,154**	**6,269**
LIABILITIES AND SHAREHOLDERS' EQUITY	**34,563**	**33,261**

Income statement

in CHF thousands	**2024**	**2023**
Research grants	443	266
Operating income	**443**	**266**
Cost of materials	(221)	(230)
Research and development expenses	(9,991)	(11,685)
Personnel expenses	(3,753)	(3,449)
Other operating expenses	(4,073)	(2,925)
Depreciation and amortisation of assets	(107)	(98)
Operating expenses	**(18,145)**	**(18,387)**
Operating result before financial result and taxes	**(17,702)**	**(18,121)**
Financial income	3,755	479
Financial expenses	(914)	(579)
Net foreign exchange gain/(loss)	504	(930)
Operating result before taxes	**(14,357)**	**(19,151)**
Extraordinary, one-off or out-of-period expenditure and income	(5)	-
Taxes	(11)	(36)
Annual loss	**(14,373)**	**(19,187)**

Notes to the Financial Statements

1 Accounting principles

1.1 General information

The financial statements of BioVersys AG, Basel were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

1.2 Current assets

Current assets are measured at nominal value, except short-term government bonds, which are measured at market value. Items in foreign currencies are converted into CHF using the closing rate of the Swiss Federal Tax Administration.

1.3 Property, plant, equipment

Property, plant, equipment are measured at historical cost less accumulated depreciation and impairment losses. The depreciation period is based on the approaches of the Swiss Federal Tax Administration.

1.4 Intangible assets

Intangible assets are measured at historical cost less accumulated depreciation and impairment losses. Commercially relevant patents are not regularly depreciated but are reviewed for possible impairment losses on a yearly basis. Patents used for competitor lockout are depreciated according to their remaining term.

1.5 Current liabilities

Current liabilities are measured at nominal value. Items in foreign currencies are converted into CHF using the closing rate of the Swiss Federal Tax Administration.

2 Information on income statement and balance sheet Items

2.2 Other operating expenses

in CHF thousands	**2024**	**2023**
Legal and other consultancy expenses	(3,160)	(2,042)
Rent expenses	(233)	(244)
Other expenses	(680)	(639)
Total other operating expenses	**(4,073)**	**(2,925)**

2.3 Extraordinary, one-off or out-of-period positions of the income statement

in CHF thousands	**2024**	**2023**
Out-of-period expenditure for VAT liabilites	(5)	-
Total out-of-period expenditure	**(5)**	**-**

Notes to the Financial Statements

2.4 Cash and current financial assets

in CHF thousands	**2024**	**2023**
Bank accounts	4,192	7,563
Short-term deposits	22,654	22,866
Total cash and current financial assets	**26,846**	**30,429**

As of 31 December 2023 the position bank accounts included restricted funds of CHF 2,850 thousand, which consisted of prepayments relating to the Series C capital increase completed on 31 May 2024.

2.5 Essential participations

Company	**Registered**	**Currency**	**Activity**	**Nominal Capital**	**Ownership/ voting shares**
BioVersys SAS	France	EUR	R&D	EUR 10,000	100%
BioVersys USA Inc.	USA	USD	dormant	USD 0.50	100%
Guangzhou BioVersys Pharmaceutical Co., Ltd.	China	CNY	R&D	CNY 50,000	100%

2.6 Financial liabilities

in CHF thousands	**2024**	**2023**
ZKB	90	120
BKB	4,000	4,000
European Investment Bank	13,569	12,618
Total financial liabilities	**17,659**	**16,738**

2.7 Financial liabilities by maturity

in CHF thousands	**2024**	**2023**
up to one year (current)	4,030	30
one to five years (non-current)	13,629	5,519
more than five years (non-current)	-	11,189
Total financial liabilities	**17,659**	**16,738**

2.8 COVID-19 bank loan

To secure liquidity, BioVersys AG has drawdown two COVID-19 bank loans. In the year 2021 BioVersys has entered into a guaranteed COVID-19 bank loan which runs until September 2027 with a semi-annual repayment component. The balance as of 31 December 2024 is CHF 90'221. The interest rate as of 1 April 2023 is 1.5%. The interest conditions can be adjusted to market developments as of 31 March each year, for the first time as of 31 March 2021, based on the requirements of the Federal Department of Finance.

In April 2022 BioVersys AG received from the Basler Kantonalbank a subordinated loan of CHF 4'000'000 in connection with the COVID-19 Start-up-warranty ordinance of the canton of Basel-Stadt (SG 819.872). 90% of the nominal amount received is guaranteed by the Canton of Basel-Stadt and 10% by two individuals (5% each). Starting from 15 December 2023 the loan bears an interest rate of 1.5% and is due on 29 February 2032 or earlier in the case of

Notes to the Financial Statements

corporate transaction. The interest conditions can be adjusted to market developments, for the first time with effect as per 1 January 2023.

For the duration of the drawdown of the COVID-19 loans, BioVersys AG may not distribute dividends and may not make any repayments of capital contributions. In addition, there are further restrictions regarding the granting and repayment of loans to affiliated companies and shareholders.

2.9 Share capital

Conditional share capital
As of 31 December 2024, the Company has conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 275 thousand through the issue of a maximum of 274,694 registered common shares. This conditional share capital is exclusively reserved for the exercise of option rights which are granted to employees, board members and advisors providing similar services.

Additionally, as of 31 December 2024 the Company has conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 146 thousand through the issue of a maximum of 145,666 registered preferred shares. This conditional share capital is exclusively reserved for the exercise of option rights granted to the guarantors of the loan in connection with the COVID-19 Start-up-warranty ordinance of the canton of Basel-Stadt (SG 819.872) and a respective warranty agreement with those guarantors.

Furthermore, the share capital of the Company may be increased by an amount of no more than CHF 27 thousand through the issue of no more than 26,798 new registered preferred shares with a nominal value of CHF 1 each, to be fully paid up. The increase of the share capital shall occur by virtue of the exercise of options rights granted to Clinical Research Venture Partners LLC in connection with a respective CRV Investment Agreement.

Capital Range
The Company has a capital range ranging from CHF 3'070'861.00 (lower limit) to CHF4'008'361 (upper limit). The board is authorized within the capital range to increase the share capital once or several times and in any amounts, until 22 June 2026 or until an earlier expiry of the capital range. The capital increase may be effected by issuing up to 937'500 fully paid-in registered preferred shares with a par value of CHF 1.00 each.

Capital increase on 23 December 2024
As of December 23, 2024, the Company issued 161,737 preferred shares with a nominal value of CHF 1 per share, as consideration for the 40% interest in BioVersys China, contributed as contribution in kind. The contribution value per preferred share amounted to CHF 5,176 thousand and the excess of CHF 5,014 thousand above nominal value was allocated to share premium.

Capital increase on 18 December 2024
On 18 December 2024, 2,591 preferred shares with a nominal value of CHF 1 per share have been issued by converting the credits of CRV into equity. The CRV agreement is classified as equity-settled share-based payments. At the time of the capital increase, services in the amount of CHF 78 thousand have been accumulated and converted into equity. The excess of CHF 75 thousand was allocated to share premium. During 2024 4,835 share options to receive common shares of BioVersys AG were exercised by employees or board members. The capital increase of CHF 5 thousand was completed at par.

Capital increase on 13 June 2024
As of 13 June 2024, 4,193 preferred shares with a nominal value of CHF 1 per share have been issued by converting the credits of CRV into equity. The CRV agreement is classified as equity-settled share-based payments. At the time of the capital increase, services in the amount of CHF 126 thousand have been accumulated and converted into

Notes to the Financial Statements

equity. The excess of CHF 122 thousand was allocated to share premium. In addition to the CRV conversion, the Company issued as of 13 June 2024 61,739 preferred shares with a nominal value of CHF 1 per share in exchange for cash. The gross cash proceeds were CHF 1,976 thousand and the excess of CHF 1,914 thousand above nominal value was allocated to share premium.

Capital increase on 31 May 2024
On 31 May 2024, the Company issued 397,948 preferred shares with a nominal value of CHF 1 per share in exchange for cash. The gross cash proceeds were CHF 12,734 thousand and the excess of CHF 12,336 thousand above nominal value was allocated to share premium.

Capital increase on 21 December 2023
During 2023 19,727 share options to receive common shares of BioVersys AG were exercised by employees or board members. The capital increase of CHF 20 thousand was completed at par. On 21 December 2023 66,418 preferred shares with a nominal value of CHF 1 per share have been issued by converting the credits of CRV into equity. The CRV agreement is classified as equity-settled share-based payments. At the time of the capital increase, services in the amount of CHF 1,992 thousand have been accumulated and converted into equity. The excess of CHF 1,926 thousand was allocated to share premium.

Statutory capital reserves
The Swiss Federal Tax Administration formally confirmed the increase in the statutory capital reserves to a total amount of CHF 68'772'605.72 as at 31 December 2023 on 7 February 2025.

The formal confirmation from the federal tax administration on the increase over CHF 18'625'656.50 for the fiscal year 2024 for the reserves from capital contributions is not on-hand. Based on the assessment of the uncertainties that are associated with the reserves, the effective amount may deviate from the reported amount.

3 Other information

3.1 Full-time equivalent

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 50.

3.2 Liabilities to retirement funds

in CHF thousands	**2024**	**2023**
Liabilities to retirement funds	21	34
Total liabilities to retirement funds	**21**	**34**

Notes to the Financial Statements

3.3 Options to participatory rights allocated to members of the board of directors/management and employees

For the valuation of the in the 2024 fiscal year allocated options to participatory rights a formula value of CHF 1.00 for each option was assigned, according to the tax ruling from 2 July 2021 (approved by the tax administration Basel-Stadt on 20 July 2021), minus the agreed upon exercise price of CHF 1.00 each resulting in a valuation of CHF 0.00. In the prior year the valuation was based on the same formula value of CHF 1.00 for each option minus the agreed upon exercise price of CHF 1.00 each, resulting in a valuation of CHF 0.00.

Allocated to board of directors/management

	Options 2024	Options 2023
Quantity	59,275	14,773
Value in CHF	-	-

Allocated to employees

	Options 2024	Options 2023
Quantity	6,375	5,125
Value in CHF	-	-

In 2020, as part of the Board of Directors' strategic planning exercise, two critical success factors were identified: (1) pushing ahead with our clinical programs and (2) retention of key persons with simultaneous recruitment of additional critical skill sets to support the projects and ensure sufficient liquidity to fund the activities.

To this end, an equity-based long-term incentive plan for key members of the Management was initiated in 2020 to ensure retention and protect from excessive dilution.

Share options under this long-term incentive plan are subject to milestones and performance conditions. To achieve our corporate goals in a timely manner the Board of Directors recognized the need to act expeditiously to retain and attract key individuals critical to the company's future success. Shareholders have been kept informed of such corporate initiatives.

3.4 Information about the going concern

With the cash and cash equivalents as of 31 December 2024 plus the proceeds of the IPO (see note "subsequent events"), the Company is able to finance its operations well beyond the next 12 calendar months and thus the financial statements have been prepared under the going concern assumption.

3.5 Subsequent events

BioVersys AG was listed on the SIX Swiss Exchange on February 7, 2025. The company issued on February 6, 2025 2,083,333 new registered shares with a nominal value of CHF 1 per share by capital increase within the capital band. The share price was CHF 36, resulting in total gross proceeds of CHF 75.0 million. At the time of the IPO, all previously existing preferred shares were converted into common shares. As part of the IPO the Company has granted the Joint Global Coordinators an over-allotment option of up to 138,888 shares. This option has been partially exercised following end of stabilization period. The company issued 47,862 new registered shares on March 17, 2025 with a nominal value of CHF 1 per share by capital increase within the capital band. The share price was CHF 36, which resulted in the Company receiving CHF 1.7 million. The total number of new shares issued by BioVersys in connection with its IPO amounted to 2,131,195 and the number of BioVersys shares outstanding increased to 5,823,480.

There were no other material subsequent events to report and no events out of the ordinary course of business.

Appropriation of accumulated losses

The Board of Directors proposes that the accumulated loss of TCHF 79'936 be carried forward.

in CHF thousands	**2024**	**2023**
Loss carried forward	(65,563)	(46,376)
Annual loss	(14,373)	(19,187)
Accumulated losses	**(79,936)**	**(65,563)**

Shape the future with confidence

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To the General Meeting of
BioVersys Ltd, Basel

Basel, 25 March 2025

Report of the statutory auditor

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BioVersys Ltd (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 72 to 78) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Shape the future with confidence

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors (page 79) complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

René Buchmann
(Qualified Signature)
Licensed audit expert
(Auditor in charge)

Adrian Hottiger
(Qualified Signature)
Licensed audit expert

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