Isofol Medical AB (publ)

Annual report 2025

Isofol issues all its reports in Swedish language and this report has been translated into English. In the event of differences between the two, the Swedish version shall apply.

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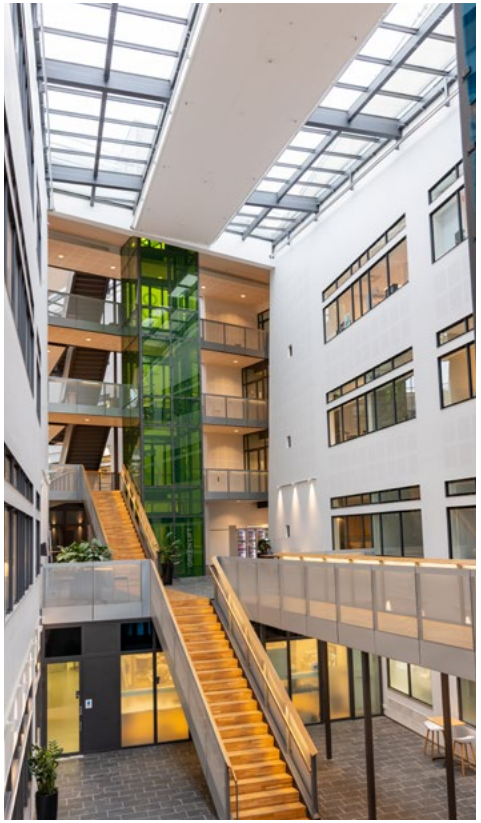


Isofol Medical AB (publ) is a clinical stage biotechnology company focused on improving outcomes for patients with severe forms of cancer. The company's drug candidate arfolitixorin, a next generation folate treatment, is designed to enhance the efficacy of established standard treatments for several types of solid tumors. Arfolitixorin is currently being evaluated in phase Ib/II in colorectal cancer, the world's third most common cancer, where there is a significant unmet medical need. Isofol is listed on Nasdaq Stockholm.

Vision and strategy

VISION

We aim to have a central impact on tomorrow's cancer treatment by giving millions of patients the opportunity to respond better to their treatment, improve their prognosis, and gain more time with life.

In this way, we are creating significant value for patients and their families, healthcare providers, shareholders and partners and ultimately for society at large.

STRATEGY

The main elements of Isofol's plan for value creation is to generate new clinical data and take arfolitixorin to registration as fast as possible, to maximize the potential in existing collaborations and partnerships, and to continue building trust among investors, potential new partners and other stakeholders.

The initial focus is to secure regulatory approval for arfolitixorin in the treatment of metastatic colorectal cancer – the second leading cause of cancer-related deaths globally - where there is a critical need for improved treatments.

Making tomorrow's cancer treatment better

The year in brief

JANUARY-MARCH

- On March 21, the company announced that it had received approval from the regulatory authority in German, BfArM, to initiate the new clinical study of the drug candidate arfolitixorin. The study will initially be conducted in Germany.

- On March 27, Isofol informed that an advisory board, with leading oncologists and colorectal cancer experts from the US, Europe and Japan, had been established.

APRIL-JUNE

- On April 3, the company announced that the Japanese development and commercialization partner, Solasia Pharma KK, intends to conduct and finance the upcoming clinical studies in Japan.

- On April 28, the first patient in the phase Ib/II clinical study with arfolitixorin was included. In mid-June the company announced that the first dose cohort was completed, and the next dose cohort had been initiated in accordance with decision by the Safety Review Committee for the study.

- On May 12, the company announced a fully guaranteed rights issue of units amounting to approximately SEK 85 million and a proposal for an over-allotment of approximately SEK 10 million. The rights issue and the over-allotment were approved at an extraordinary general meeting held on June 11, 2025.

JULY-SEPTEMBER

- On July 4, the outcome of the share issue was announced. The rights issue was oversubscribed by 120 percent and the overallotment was utilized with half the amount to the Japanese parter Solasia Pharma K.K. In total the issues provided the company approximately SEK 91 million gross and approximately SEK 84 million net after deduction transactions costs.

- On July 16, Isofol announced that the company had successfully completed a pre-IND meeting with the U.S. Food and Drug Administration, FDA.

- On September 30, Isofol announced that they had completed the second dose level in the dose escalating clinical phase Ib/II study with arfolitixorin and the Safety Review Committee had cleared the initiation of the third dose level.

OCTOBER-DECEMBER

- On November 13, Isofol announced that the European Patent Office (EPO) had issued an "Intention to Grant" for a new product patent for the company's cancer drug candidate arfolitixorin. Patent protection is thus extended until 2043.

EVENTS AFTER THE END OF THE YEAR

- On February 24, 2026, the company provided an update on the ongoing phase Ib/II clinical study of arfolitixorin. All six patients evaluated to date in the study have shown tumor shrinkage without dose-limiting side effects. Half of the patients have unexpectedly become candidates for tumor surgery during treatment.

- On March 18, 2026, the company announced that its global exclusive license agreement has expanded for arfolitixorin to also include development and commercialization in cerebral folate deficiency and, for example, within autism spectrum disorder.

- On March 31, 2026, the company announced that the exercise period for warrants of series TO1 ended on March 30, 2026. The outcome shows a subscription rate of approximately 93.57 percent. As the warrants were not exercised in full, the top guarantee commitment has been utilized corresponding to 5.23 percent of the outstanding warrants. Through the exercise of the warrants of series TO1 and guarantee commitments, Isofol will receive approximately mSEK 18.9 before issue costs.

Key figures

TSEK 0

Net revenue amounted to TSEK 0 (0) and other operating revenue to TSEK 0 (0)

MSEK -54,2

Result before tax amounted to MSEK -54,2 (-43,5)

SEK -0,25

Earnings per share amounted to SEK -0,25 (-0,27)

MSEK 127

Cash and cash equivalents at year-end amounted MSEK 127 (96,2)

“Our vision is clear: arfolitixorin should be a central part of tomorrow's treatment”

Isofol made clear progress in 2025, focusing on resuming the clinical development of arfolitixorin. Furthermore, we have had a productive dialogue with regulatory authorities, deepened our collaboration with partner Solasia Pharma K.K., and strengthened our financial position.

After several years of transition and analysis, in 2025 we were once again able to advance our drug candidate arfolitixorin into clinical development and deepen the key partnerships that are critical to the company’s future.

In the spring, we initiated our phase Ib/II study at Charité – Universitätsmedizin Berlin, a world leading hospital. In March, we received approval from the German regulatory authority, and shortly thereafter the first patient was enrolled in the study. The study is evaluating an optimized dosing regimen with substantially higher doses than in the previous phase III study AGENT; based on preclinical data showing that the effect of arfolitixorin increases with the dose, and that the efficacy likely is greater when the drug is administered prior to chemotherapy rather than after.

A preliminary interim readout in early 2026 showed positive clinical results - both in terms of efficacy and safety.

In parallel, we maintained constructive dialogue with regulatory authorities in both the US and Japan – two of the most important markets for arfolitixorin – laying the foundation for future development milestones and regulatory approvals.

STRENGTHENED PARTNERSHIP

Another key focus area in 2025 was to continue developing and deepening our strategic partnership with our Japanese partner Solasia. This collaboration is a central part of our global development strategy for arfolitixorin, with the goal of running clinical programs in parallel in Europe and Japan. It creates both scientific and commercial synergies, with the potential to accelerate access to new treatment options for patients across multiple regions.

SUCCESSFUL RIGHTS ISSUE

In a continued challenging financial and geopolitical environment, we successfully raised capital during the year and secured resources needed to run the study – a strong vote of confidence in our strategy and drug candidate. The rights issue was oversubscribed, reflecting the potential investors see in Isofol. We are deeply grateful for the support from our shareholders and pleased that so many of you have chosen to be part of our work to improve cancer care.

ACCELERATING IN 2026

In 2026, we will significantly accelerate the development of arfolitixorin, taking the next important step toward realizing its full potential by initiating the phase II part of the clinical trial. The focus will be on continuing clinical development to demonstrate the superiority of arfolitixorin at higher doses and with a modified dosing sequence, on maintaining frequent and close dialogue with regulatory authorities and our partners, and on laying the groundwork to expand the use of arfolitixorin into additional therapeutic areas. Metastatic colorectal cancer is just the beginning – our ambition is much greater.

We look forward to an intense and eventful year, filled with important milestones, new research results, and progress in our collaboration with our Japanese partner Solasia.

Our vision is clear: arfolitixorin should be a central part of tomorrow's treatment of advanced cancers by enhancing the efficacy of the standard treatment, 5-FU-based chemotherapy.

Petter Segelman Lindqvist
Vd, Isofol Medical AB (publ)

High unmet medical need

Arfolitixorin aims to potentiate 5-FU-based chemotherapy – todays and tomorrow's standard treatment for several types of cancer where better treatments are urgently needed.

High-potential drug candidate

Arfolitixorin is the first and only direct-acting folate, designed to enhance 5-FU efficacy and improve outcomes of standard treatments across multiple cancer types. It has shown promising results in earlier studies.

Large market opportunity

Arfolitixorin has blockbuster potential in the US in the lead indication alone – on a global CRC market estimated to be worth more than $17 billion by 2030. Additional indications and markets could add to the opportunity.

Folates in current cancer treatment

The first-line treatment for several types of cancer consists of a combination of chemotherapy and complementary drugs, including folate-based agents aimed at enhancing the effect of chemotherapy. With a new, directly acting folate, the hope is to improve the outlook for those affected by cancer.

Treatment for many forms of cancer is based on a combination of chemotherapy and adjuvant drugs. Current folate-based drugs are metabolized in the body and stepwise converted into the active metabolite [6R]-MTHF.

Since the conversion of current folate-based drugs to the active metabolite occurs through multiple steps, treatment with a direct-acting metabolite can probably offer significant clinical advantages by bypassing the need for conversion. However, such a drug is not yet available on the market.

ARFOLITIXORIN – THE NEXT-GENERATION FOLATE DRUG

Arfolitixorin is being developed as a next-generation folate drug and is direct-acting, which means no conversion is required. Arfolitixorin is designed to deliver substantially higher concentrations of the active metabolite to tumor cells than existing drugs. This could potentially result in more effective cancer treatment and thereby benefit a greater number of patients.

For several cancer types, folate-based drugs are already established in first-line treatment – the standardized initial treatment for a disease. For example, chemotherapy based on 5-FU, which is used in the treatment of colorectal cancer and other gastrointestinal cancers, has been combined with previous generation folate drugs for a long time.

ARFOLITIXORIN'S POTENTIAL IN OTHER CANCER TYPES

Chemotherapy is a central component in the treatment of several types of cancer, and arfolitixorin could hence enhance the efficacy of chemotherapy in multiple patient groups. This opens opportunities to broaden the clinical application of arfolitixorin and thereby potentially increase its commercial value over time.

Drug combinations with 5-FU-based chemotherapy are used not only for colorectal cancer but also for the treatment of pancreatic, gastric, breast, and head and neck cancers, among others. One common trait shared by colorectal cancer and pancreatic cancer is that the cancer cells have a high mutation rate, which means they frequently alter their properties and become difficult to treat and resistant even to modern immunotherapies.

With a new, directly acting folate, the hope is to improve the outlook for patients affected by cancer.

Gastric cancer is a very common form of cancer in Asian populations, but also occurs in Europe, where chemotherapy combined with leucovorin, one of the most common folate drugs, is an established standard in both first-line and later lines of treatment. In lung and breast cancer, treatment strategies also largely target thymidylate synthase (TS), a key enzyme that regulates cell proliferation. This further underscores the potential of arfolitixorin, provided that clinical studies can demonstrate superior efficacy compared to current standard therapies.

FACTS ABOUT COLORECTAL CANCER

Colorectal cancer (CRC) is caused by uncontrolled cell growth. The disease usually develops slowly over several years and begins as a growth of tissue called a polyp, which starts in the lining of the colon and then grows into the lumen of the colon.

Polyps can be cancerous, meaning they can develop into cancer if not removed. Eventually, the cancer can break through the colon wall and spread to other organs, a condition called metastatic colorectal cancer (mCRC).

Colorectal cancer – the second deadliest cancer

Arfolitixorin is being developed as a folate-based drug candidate to enhance the effectiveness of 5-FU-based chemotherapy, with a primary focus on metastatic colorectal cancer. Colorectal cancer is the third most common form of cancer globally after lung and breast cancer and the second most deadly. Despite several medical advances in cancer research, the mortality rate for metastatic colorectal cancer remains high – 86 percent of patients with disseminated disease die within five years.

Colorectal cancer, the collective name for cancer of the colon and rectum, a disease arising from uncontrolled cell growth in the large intestine or the rectum. Colon cancer occurs equally often in men and women, while rectal cancer is somewhat more common in men. The condition primarily affects older individuals, with the majority of cases diagnosed after the age of 70. However, incidence is increasing among younger adults (aged 25–49), while remaining stable in the older age groups. Globally, more than 1.9 million new cases of colorectal cancer were diagnosed in 2022, and approximately 0.9 million people died from the disease that same year.[1]

RISING INCIDENCE AMONG YOUNGER ADULTS IN THE US

In 2026, the American Cancer Society published new data revealing a significant increase in both incidence and mortality from colorectal cancer among adults aged 20–49. Already in 2023, colorectal cancer had become the leading cause of cancer-related death in people under 50 in the US. Mortality in this age group has risen by more than 1 percent annually since 2005, and three in four patients are now diagnosed at an advanced stage of the disease. Key contributing risk factors are believed to include rising rates of obesity, low levels of physical activity, and high consumption of ultra-processed foods.

HIGH MORTALITY WHEN DETECTED LATE

Colorectal cancer is the second most common cause of cancer-related death worldwide, after lung cancer – yet the prognosis is good when caught early. Organized screening programs, which include analyzing stool for the presence of blood, can identify cancer or precancerous changes at an early stage, significantly reducing mortality. Patients diagnosed at a late stage, when the disease has already spread to other organs and formed metastases, face a considerably poorer prognosis. For metastatic colorectal cancer, approximately 86 percent of patients do not survive beyond five years after diagnosis[2].

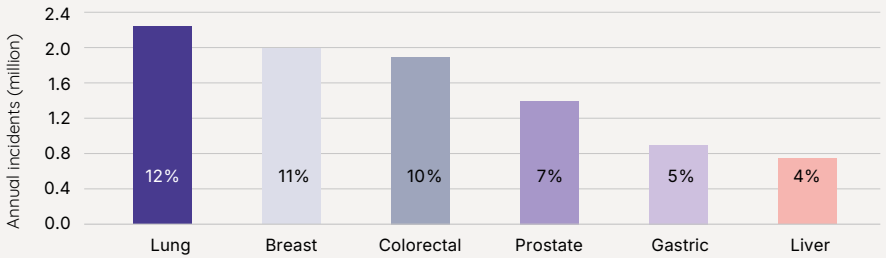
CURRENT STANDARD TREATMENT

The current standard treatment for metastatic colorectal cancer is based on 5-FU, one of the most widely used cytostatic agents in the world, in combination with folate-based drugs and other chemotherapies such as oxaliplatin or irinotecan, as well as biologics such as bevacizumab and cetuximab/panitumumab. These combinations have been the clinical standard since the early 2000s and continue to form the backbone of first- and second-line treatments. However, current folate-based drugs require stepwise metabolic activation before the active metabolite can exert its effect, and despite combination therapy, fewer than half of patients with metastatic colorectal cancer respond adequately to existing folate-based regimens. Immunotherapies and targeted therapies have been introduced as additions for subgroups of patients with specific mutations, but cover only a small fraction of the overall patient population.

METASTATIC CANCER AS THE INITIAL FOCUS FOR ARFOLITIXORIN

Colorectal cancer is classified into stages based on the extent and spread of the tumor. In stage IV, when the disease has metastasized beyond the intestine, surgery on the primary tumor is often avoided as it does not generally improve prognosis. At this stage, systemic chemotherapy is the dominant treatment strategy, aimed at easing symptoms and prolonging survival, sometimes in combination with other forms of therapy. Even as new drugs emerge and treatment combinations are refined, 5-FU-based regimens are expected to remain the cornerstone of colorectal cancer treatment for the foreseeable future – underscoring the potential value of more effective folate-based enhancers such as arfolitixorin.

10 % OF FORMS OF CANCER DETECTED ANNUALLY ARE CRC[2]



1.9 milion

annually diagnosed globally

14 %

of stage IV have a survival of five years[3]

Source: 1) https://pressroom.cancer.org/Colorectal-Cancer-Cases-Surge-Globally
2) Ferlay J, Ervik M, Lam F, Laversanne M, Colombet M, Mery L, Piñeros M, Znaor A, Soerjomataram I, Bray F (2024). Global Cancer Observatory: Cancer Today (version 1.1). Lyon, France: International Agency for Research on Cancer. Available from: https://gco.iarc.who.int/today, accessed [27 March 2024].
3) American Society of Clinical Oncology (ASCO) Cancer.Net. Accessed 12 March 2024. https://www.cancer.net/cancer-types/colorectal-cancer/statistics.

The drug candidate that can enhance the effect of chemotherapy

Isofol develops the drug candidate arfolitixorin, designed to enhance the efficacy of todays and future cancer treatments. The goal is to help more patients gain better conditions to respond to their treatment and hence achieve an improved prognosis.

Arfolitixorin has the potential to become a key component of today's standard treatment for several forms of solid tumors. The drug candidate is now being investigated in a clinical phase Ib/II-study in patients with metastatic colorectal cancer. Currently, 5-FU-based chemotherapy is given as standard first-line treatment usually together with folate therapies to enhance its effect in several aggressive cancers. These folate drugs are broken down in the body and converted into the active metabolite [6R]-MTHF, which increases the tumor-killing effect of 5-FU while reducing the production of one of the building blocks that tumor cells need to multiply. While existing folate therapies require multi-step metabolic conversion, arfolitixorin consists of the active metabolite in its pure form. Arfolitixorin, therefore, has the potential to both enable improved efficacy and allow more patients to benefit from the treatment.

SOLID EVIDENCE PLATFORM

In recent years, Isofol has conducted several early phase clinical studies to investigate the efficacy and safety profile of arfolitixorin. The large data package generated so far, which constitutes a strong evidence platform shows that the drug is safe, well-tolerated and effective.

Previous clinical studies have shown statistically significant results demonstrating that patients with colorectal cancer treated with arfolitixorin achieved three to four times higher concentrations of the active metabolite in tumor tissue compared with current folate therapies.

When arfolitixorin was given together with 5-FU in the treatment of colorectal cancer, the tumor-killing effect was enhanced, resulting in increased cancer cell death.

SHOWN PROMISING EFFICACY IN PHASE III

Arfolitixorin has shown promising efficacy and safety results in previous studies, including the global phase III AGENT study. The study compared the effectiveness and safety of arfolitixorin with the current folate therapy, leucovorin. The results showed that arfolitixorin provided numerically comparable efficacy to leucovorin but did not demonstrate superior results.

Subsequent analyses concluded that the study's dosing regimen was suboptimal, which likely explains why no efficacy difference was observed. Recent preclinical research demonstrates that optimized dosing, involving higher doses administered in a modified sequence, has the potential to provide better treatment results.

INCREASED EFFECT WITH HIGHER DOSE

Other analyses conducted during 2024–2025, using different approaches and methodologies, have in various ways demonstrated that the dosing and administration regimen used in the AGENT study was suboptimal, and that an alternative dosing strategy is expected to result in a higher efficacy. Two preclinical studies have demonstrated a clear dose-response relationship for arfolitixorin – meaning efficacy increases with dose – unique to arfolitixorin and is not observed with leucovorin, the current standard of care.

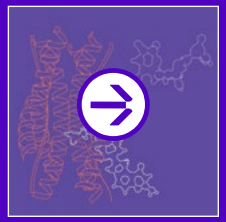
Therefore, higher doses are being used in the ongoing study with arfolitixorin. The preclinical studies have also made comparisons of arfolitixorin and leucovorin and found that arfolitixorin demonstrates better efficacy. This appears to hold across multiple drug combinations.

TIMING OF ADMINISTRATION IS KEY

In addition to this, analyses have demonstrated the importance of administering arfolitixorin and other folates at the optimal time to ensure concentrations of the active substance is at it's highest when needed. It is pharmacologically essential that the concentration of the active substance is high in the tumor tissue before the biochemical reaction with 5-FU begins. Therefore, in the revised dosing regimen, arfolitixorin is administered before 5-FU rather than after. This ensures that the concentration is high from the start. As clinical studies have shown that arfolitixorin levels remain elevated in tumor cells for a prolonged period, this likely allows arfolitixorin to interact with both the initial bolus dose of 5-FU and the second, infused dose. This maximizes the potential for achieving a good therapeutic effect.

SIGNIFICANT COMMERCIAL POTENTIAL

Arfolitixorin has significant potential to contribute with something unique: a product that, once approved for marketing, can be integrated into globally established treatment regimens for some of the world's most common forms of cancer. With patent protection until the 2040s and blockbuster potential exceeding SEK 10 billion, the foundation is in place for both scientific and commercial success.



See how arfolitixorin functions, follow the link above or use the QR code.

THE DRUG CANDIDATE THAT CAN ENHANCE THE EFFECT OF CHEMOTHERAPYI

Arfolitixorin has significant potential to contribute with something unique: a product that, once approved for marketing, can be integrated into globally established treatment regimens for some of the world's most common forms of cancer.

“This new regimen is expected to lead to better TS inhibition”

Godefridus (Frits) J. Peters is professor emeritus at the Laboratory Medical Oncology, Amsterdam University Medical Center, professor at the Medical University of Gdansk, Poland, and honorary professor at Amity University in Noida, India. Frits Peters’ research focuses on the development of new cancer treatments, from preclinical research to clinical phase I and II studies. He has been involved in several clinical studies of drug candidates that later gained market approvals for the treatment of cancer and has been involved in the development of arfolitixorin for several years.

> Arfolitixorin is administered prior to 5-FU, allowing rapid formation of the stable ternary TS complex
>
> **Frits Peters, Ph.D.**
> **Scientific advisor**

TO BEGIN WITH, WHAT DO YOU SEE AS THE GREATEST CHALLENGES IN CANCER TREATMENT TODAY?

— Cancer treatment has changed a lot in the last few decades, at least for several forms of cancer. To be more specific, this holds for several subforms of cancer, such as non-small cell lung cancer. This progress was achieved because of a better understanding of cancer biology and genetics. However, for several cancers, such as pancreatic ductal adenocarcinoma and malignant pleural mesothelioma, progress is still marginal, despite a better understanding of these diseases. This is due to late diagnosis, lack of effective treatment options and rapid spreading of the disease by forming metastases. Immunotherapy gives some benefit, but still for a limited number of patients.

Initial treatment of early-stage colorectal cancer is usually effective by using a combination of surgery and traditional chemotherapy. In advanced metastatic disease, fluoropyrimidine-based treatment options, like FOLFOX, in which 5-FU-based chemotherapy is combined with folinic acid (leucovorin) and oxaliplatin, are standard and form the core of almost all new protocols. For this group, the majority of patients do not survive beyond five years after diagnosis, so there is a high medical need.

YOU HAVE PLAYED A CENTRAL ROLE IN DESIGNING THE ONGOING PHASE IB/II CLINICAL STUDY IN METASTATIC COLORECTAL CANCER WITH ARFOLITIXORIN. FROM YOUR PERSPECTIVE AS AN EXPERT ON FOLATE ANTICANCER TREATMENTS, WHAT ARE THE IMPORTANT AND PERHAPS NECESSARY CHANGES THAT HAVE BEEN MADE COMPARED TO THE PHASE III AGENT STUDY?

—The efficacy of standard 5-FU-based chemotherapy depends on achieving an optimal and prolonged inhibition of its key target, thymidylate synthase (TS). In several historical studies, experimental and clinical, it was shown that the extent of TS inhibition and a prolonged maintenance of the same were related to better outcomes. When 5-FU is given alone, the active metabolite of 5-FU, FdUMP, forms an unstable binding, a binary complex with TS, resulting in poor and short-term TS inhibition. In standard regimens with 5-FU, leucovorin is administered as a prodrug for the active folate intermediate, 5,10-methylene-tetrahydrofolate (CH2-THF), which, together with FdUMP, forms a stable binding, a ternary complex with TS, which not only increases TS inhibition but also extensively prolongs TS inhibition. Arfolitixorin is the active form of [6R]-5,10-methylenetetrahydrofolate, which is the same molecule as CH2-THF. Unlike leucovorin, arfolitixorin does not need to be converted in the body to become active, but instead directly provides high levels of CH2-THF in tumor tissue.

In the AGENT study, 5-FU was administered about 30-60 minutes before arfolitixorin, and this most likely prevented optimal inhibition of TS, resulting in lower efficacy. Therefore, it was proposed to adapt the schedule and dose of arfolitixorin in order to maximize the extent and duration of TS inhibition. In the current phase Ib/II study, arfolitixorin is administered prior to 5-FU administration. This new regimen is expected to lead to a better TS inhibition, since upon 5-FU administration, the more effective ternary complex between FdUMP, TS and CH2-THF is immediately formed.

WHAT SCIENTIFIC EVIDENCE SUPPORTS THE DOSING REGIMEN APPLIED IN THE CURRENT PHASE IB/II STUDY?

— Preclinical studies in experimental models already showed that the extent and duration of TS inhibition were significantly improved with a longer duration when leucovorin was administered before 5-FU. In the Modelle-001 study, an investigator-lead clinical phase II trial, TS inhibition was systematically investigated in liver metastases from colorectal cancer patients. TS inhibition was compared in tumors from patients receiving a standard leucovorin dose, and a low and a high arfolitixorin dose, all before 5-FU. This schedule allowed a rapid accumulation of

CH2-THF in the tumor, while the CH2-THF concentration was much lower in normal liver. Most importantly, the concentration of CH2-THF was higher in patients treated with low doses of arfolitixorin compared to those who received an equimolar dose of leucovorin. However, in patients treated with high doses of arfolitixorin, the accumulation of CH2-THF was even higher. Since 5-FU was administered after arfolitixorin, this allowed the immediate formation of the ternary complex in the tumor cells. The most important finding was that TS inhibition was higher in the arfolitixorin-treated patients, and even higher in patients who received a higher dose. Based on, among other things, these data, the dosing and scheduling were changed in the phase Ib/II protocol; arfolitixorin is administered prior to 5-FU, allowing rapid formation of the stable ternary TS complex. This better and prolonged TS inhibition will not only enhance the formation of eg. oxaliplatin-DNA adducts, that triggers cell death, but also prevent the repair of these toxic DNA adducts.

ASSUMING A SUCCESSFUL DEVELOPMENT OF ARFOLITIXORIN, HOW DO YOU ENVISION THIS NEXT-GENERATION FOLATE IMPACTING CANCER TREATMENT IN CLINICAL PRACTICE?

— Earlier preclinical and clinical data showed a better antitumor effect (either evaluated as response or survival) when prolonged TS inhibition can be maintained. Since pretreatment with arfolitixorin followed by 5-FU leads to increased and prolonged TS inhibition, this is most likely leading to a better therapeutic efficacy. Recent data from a tumoroid model (patient-derived colon cancer organoids) also showed that a high arfolitixorin concentration leads to more cell death. So, I expect that the dual modulation – TS inhibition and oxaliplatin-DNA adducts – will lead to better efficacy than what has been observed with other recent protocols.

PHASE IB/II-STUDY

Arfolitixorin is being developed to improve established cancer treatment by adding what the body cannot produce on its own. By addressing a known treatment gap, the goal is to help more patients gain better conditions to respond to their treatment and achieve an improved prognosis.

Study design laying the groundwork for future pivotal trials

Isofol is conducting a phase Ib/II clinical study to evaluate the efficacy and safety of an optimized dosing regimen for its drug candidate arfolitixorin in patients with metastatic colorectal cancer. The study is initially being conducted at the leading academic hospital Charité – Universitätsmedizin Berlin, with expansion to additional sites across Europe and Japan planned for 2026.

The aim of the study is to evaluate the efficacy and safety of arfolitixorin in an optimized dosing regimen, combined with 5-FU-based chemotherapy as a first-line treatment for patients with metastatic colorectal cancer.

THE STUDY IS CONDUCTED IN TWO STAGES

The study is designed to be conducted in two phases. The first part, phase Ib, evaluates the safety of escalating doses of arfolitixorin in patients with RAS-mutated metastatic colorectal cancer – a particularly difficult-to-treat patient group. The maximum tolerated dose and one of the lower doses will then be further evaluated in the subsequent phase II part of the study, with a continued focus on safety and efficacy.

Isofol is planning to expand the phase II study by adding a control arm in which patients receive the current standard treatment in combination with leucovorin, enabling a direct comparison of efficacy and safety with arfolitixorin.

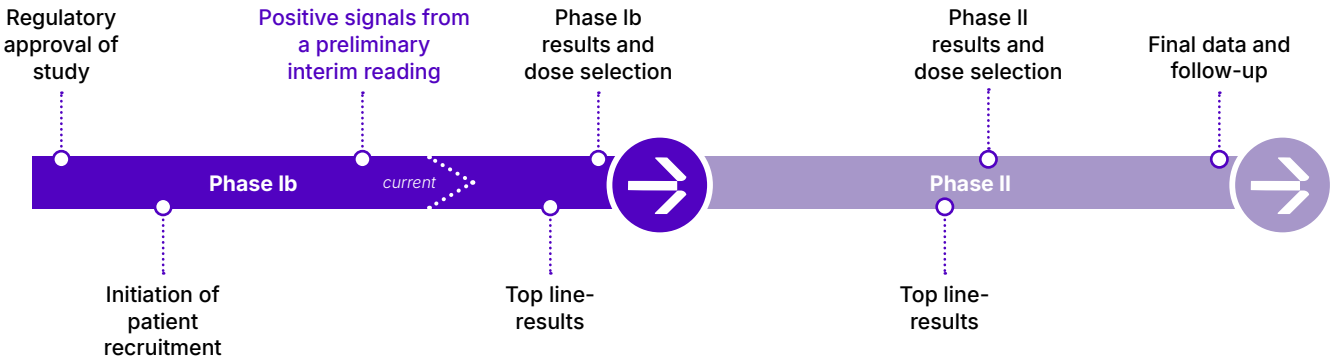
The phase II study will also include patients without RAS mutations, broadening the patient population and strengthening generalizability. The study is initially being conducted at Charité, with additional European hospitals to be added in the phase II part.

STUDY EXPANSION TO JAPAN

In late 2024, Isofol's Japanese partner Solasia decided to fund a parallel study in Japan with an identical design to the European study. The aim is to enroll Japanese patients in 2026, in parallel with the start of phase II in Europe. Data from the Japanese study will be integrated into the global study program.

The expansion will increase the total number of study participants and improve diversity within the patient population, creating a solid foundation for regulatory processes in Japan and other geographic markets.

OVERVIEW AND STUDY PROCESS



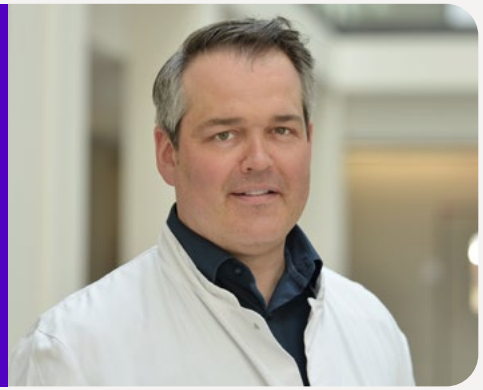
The aim is to enroll Japanese patients in 2026. Data from the Japanese study will be integrated into the global study program.

Roger Tell,
CMO, Isofol Medical AB (publ)

“There is a broad interest in optimizing 5-FU-based chemotherapy”

Sebastian Stintzing heads the department at Charité – Universitätsmedizin Berlin responsible for an extensive gastrointestinal cancer treatment program, with a particular focus on optimizing the treatment of colorectal cancer. Charité is the primary study center for Isofol’s phase Ib/II study of arfolitixorin, for which Sebastian Stintzing serves as the principal coordinating investigator. In an interview he answered three questions about the current state of research in the field.

> We are treating patients with metastatic colorectal cancer within this trial, and we are currently still in the dose-optimization phase.
>
> **Sebastian Stintzing, M.D.**
> **Scientific advisor and principal coordinating investigator**



WHAT ROLE DO YOU SEE ARFOLITIXORIN PLAYING IN THE TREATMENT LANDSCAPE, PARTICULARLY IN METASTATIC COLORECTAL CANCER?

— The base of treatment in colorectal cancer is 5-FU-based chemotherapy. What has been interesting, looking at developments over recent years – with increasingly more precision oncology options, as witnessed at the scientific conference ESMO 2025 – is that these precision oncology and immuno-oncology agents are being combined with traditional backbone chemotherapy. By doing this, we are seeing remarkable results – and clearly, backbone chemotherapy is here to stay.

If we are able to optimize this kind of backbone chemotherapy by adding arfolitixorin instead of leucovorin to 5-FU-based chemotherapy, that would be a significant step forward for our patients and toward a more efficacious treatment of these cancers.

DO YOU ALSO SEE THIS OPPORTUNITY IN OTHER TYPES APART FROM COLORECTAL CANCER?

— Absolutely. Gastrointestinal cancers account for around 25% of all cancer cases, and I would say that approximately 95% of those are treated with 5-FU, in both neoadjuvant and metastatic disease. So there is significant potential here. And outside of the gastrointestinal area, 5-FU-based chemotherapy is also used – for example, in lung cancer and breast cancer. There is therefore a broad interest in optimizing 5-FU-based chemotherapy.

YOU ARE HEADING THE ONGOING PHASE IB TRIAL. WHAT CAN YOU TELL US ABOUT IT WITHOUT REVEALING TOO MUCH OF THE DATA?

— We are treating patients with metastatic colorectal cancer within this trial, and we are currently still in the dose-optimization phase. When we made an interim reading the patients who had been treated so far at the end of February 2026, we saw no dose-limiting side effects. Preliminary results also showed that all patients included in the study had responded to the treatment and showed tumor shrinkage that corresponded to up to a halving of the total tumor size. Half of the patients had also responded so well to the treatment that they were removed from the study for consideration of tumor surgery, the tumor was surgically removed - which is unexpectedly positive in this patient group since this patient population is particularly difficult to treat.

Our strategy

The key components of Isofol's strategic plan for value creation are to strengthen the evidence platform for arfolitixorin with new clinical data while advancing the drug candidate toward registration, maximizing the potential of our strategic partnerships and collaborations, and continue building trust among investors and other stakeholders.

The foundation of our strategic plan is to generate new efficacy data for arfolitixorin by completing the ongoing phase Ib/II trial in an efficient and time-optimized manner in collaboration with world-leading clinical experts. The study lays a solid base for further development and upcoming regulatory approval processes.

By nurturing collaborations with clinical experts and partner companies, we are strengthening the foundation for continued clinical development and commercialization of arfolitixorin.

Simultaneously, we are building confidence in Isofol as an organization through transparent and open dialogue with shareholders, potential investors, and partners. We maintain high standards of regulatory compliance and focus on disciplined cost management, consistently prioritizing value-creating activities.

OUR CORE VALUES

Isofol's core values are *care*, *integrity*, *urgency* and *cooperation* – guiding how we work together with partners and collaborators to bring our drug candidate to market as quickly as possible with deep consideration for patients, without compromising safety and integrity. The sooner arfolitixorin becomes an approved drug, the sooner we can achieve our goal: to give more patients the opportunity to respond better to their treatment, improve their prognosis, and gain more time with life.

Significant market potential for arfolitixorin

The colorectal cancer treatment market is already substantial and is expected to continue growing, driven by the significant unmet need for more effective treatments in metastatic disease. Current standard of care with 5-FU-based chemotherapy is anticipated to remain the first-line treatment for the foreseeable future. This creates a favorable opportunity for drugs like arfolitixorin to enhance the efficacy of standard treatment, thereby delivering improved outcomes for a large patient population.

The global market for metastatic colorectal cancer treatment is estimated to reach approximately SEK 80 billion by 2032[1]. The standard of care, consisting of 5-FU-based chemotherapy combined with folates such as arfolitixorin, is expected to remain the foundation of first-line therapy for the foreseeable future.

UNIQUE MARKET OPPORTUNITY IN FIRST-LINE TREATMENT

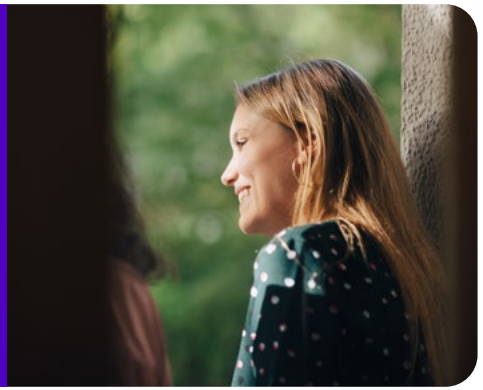
While numerous innovations are at the forefront of cancer drug research, all are intended for use either as adjuncts to standard of care or in later lines of therapy. Arfolitixorin is therefore well-positioned to become a central component of today's and tomorrow's cancer treatment. A market analysis conducted in 2024 by the consulting firm Back Bay Life Science Advisors confirms Isofol's projection that arfolitixorin has the potential to achieve blockbuster-level revenues of over SEK 10 billion in metastatic colorectal cancer in the US market alone. The analysis is based on an addressable patient population of over 50,000 annually in the US. The market survey also emphasizes the significant unmet medical needs and a strong willingness to pay for improved treatment options in first-line metastatic colorectal cancer treatment.

MULTIPLE POTENTIAL MARKETS INCREASE LEVERAGE

Beyond the significant commercial potential in the US market, substantial opportunities exist for arfolitixorin in other major geographic markets, including for example Japan, Canada, and Europe. Additional growth potential may be created through indication expansion. In colorectal cancer, arfolitixorin may eventually play a role in adjuvant or neoadjuvant treatment as well. Since folate drugs are utilized in treating other cancer types, there is also potential for broader use across solid tumors, including pancreatic cancer, breast cancer, and head and neck cancer, where arfolitixorin could enhance the efficacy of 5-FU-based chemotherapy.

If arfolitixorin demonstrates clear efficacy in clinical studies, the drug candidate could establish a central position as one of the few innovations in first-line cancer treatment.

Arfolitixorin is therefore well-positioned to become a central component of today's and tomorrow's cancer treatment.



Source: 1) Market research and analysis conducted by Back Bay Life Science Advisors on behalf of Isofol in 2024.

“If arfolitixorin surpassing the efficacy of leucovorin, it could represent a breakthrough”

Yoshihiro Arai is President and CEO of the specialty pharma company Solasia Pharma, Isofol’s partner in Japan for developing the drug candidate arfolitixorin. Under a 2020 license agreement, Solasia holds exclusive rights to arfolitixorin in Japan and joined Isofol’s phase III AGENT study. In recent years, Yoshihiro Arai has led this collaboration, reflecting Solasia’s long-term commitment to the clinical development of arfolitixorin and to the inclusion of Japanese patients in upcoming trials.

DURING 2025, SOLASIA BECAME A SHAREHOLDER IN ISOFOL. HOW DOES SOLASIA’S OWNERSHIP IN ISOFOL STRENGTHEN THE LONG-TERM COLLABORATION?

— Solasia and Isofol have been partners in conducting international joint clinical trials for the development of arfolitixorin, building a strong partnership in drug development. By becoming a shareholder in Isofol, we anticipate closer collaboration on the development of arfolitixorin and expect this to serve as a milestone for further business expansion by both companies.

WHAT LESSONS HAS SOLASIA LEARNED FROM THE AGENT STUDY THAT CAN SUPPORT THE CONTINUED DEVELOPMENT OF ARFOLITIXORIN?

— We learned many things from the AGENT trial. While the scientific potential of arfolitixorin was fully recognized, we observed differences in how clinical trials are approached between countries. Specifically, although the exact reason is not entirely clear, it was found that the reduction in the core drug 5-FU was greater in Japan compared to other countries, which impacted the overall results. This highlighted the need to more clearly define the trial and treatment in future clinical trials. Regarding trial management, in the AGENT trial, Isofol conducted trial operations in Japan through a local CRO with Isofol as a sponsor. Solasia was not the local sponsor and could not directly participate in discussions with Isofol about trial content or trial management. When transitioning from development to marketing, involvement from the development stage is invaluable. In the next clinical trial, Solasia will be able to participate directly in trial planning alongside Isofol as the local sponsor.

COULD YOU DESCRIBE HOW THE JAPANESE STUDY WILL BE CONDUCTED?

— In the phase Ib/II study already underway in Germany, Japan is strategically integrated into the global development program. Tactically, the leading proposal is for Japan to participate as a separate cohort starting from the phase II part of the ongoing phase Ib/II study. The results obtained here will be analyzed both for the overall trial and specifically for the Japanese cohort, providing valuable information for planning the pivotal study required for regulatory approval. In any case, the pivotal study is expected to be conducted as a global clinical trial including Japanese patients, enabling simultaneous regulatory submissions in Japan, the US, and Europe.

HOW DO YOU VIEW ARFOLITIXORIN’S POTENTIAL TO IMPROVE PROGNOSIS FOR PATIENTS WITH COLORECTAL CANCER?

— In the AGENT trial, unfortunately, superiority over the standard drug leucovorin could not be demonstrated. However, based on detailed analysis of the results, new preclinical data, and the mechanism of action, we believe arfolitixorin has a high potential to demonstrate superior treatment outcomes compared to leucovorin in the first-line treatment of colorectal cancer. It can also be expected to improve patient prognosis.

WHAT COMMERCIAL PROSPECTS DO YOU SEE FOR ARFOLITIXORIN IN THE JAPANESE MARKET, THE SECOND-LARGEST ADDRESSABLE MARKET AFTER THE US?

— Currently, multi-agent combination therapy, including 5-FU, remains the primary treatment for colorectal, gastric, and pancreatic cancers. It has maintained this position for a long time, and we believe it will continue to do so. However, this also means that no new combination therapy drugs have emerged for a long period. In this environment, if arfolitixorin demonstrates results surpassing the efficacy of leucovorin, the current standard drug, it could represent a breakthrough. Leucovorin in multi-agent combination therapy containing 5-FU could be replaced by arfolitixorin, and we see substantial market potential.

> By becoming a shareholder in Isofol, we anticipate closer collaboration on the development of arfolitixorin.

Yoshihiro Arai
CEO and president, Solasia Pharma K.K.

Strong partherships strengthens the development of arfolitixorin

Isofol has established a comprehensive network with expertise in fields such as oncological research, clinical studies, manufacturing, patent issues, and commercialization. Together, these partnerships create favorable conditions for advancing the development of arfolitixorin.

Isofol is led by individuals with extensive experience in pharmaceutical and business development. The company operates in a cost-effective manner, utilizing a well-established network of leading experts in the field who are engaged on a consultancy basis. This approach provides Isofol access to essential expertise in areas including research, production (CMC), quality assurance (QA), patent matters, clinical drug development and business development.

With support from highly competent, quality-focused, and flexible partners, active knowledge exchange in external networks, and collaborations with academic institutions, the work to improve current cancer treatments continues.

BOARD AND MANAGER

The Board of Directors consists of Chairman Jan-Eric Österlund and members Dr. Alain Herrera, Dr. Helena Taflin, Lars Lind, and Professor Sten Nilsson. Several board members have been involved in earlier phases of the company's development and combine medical expertise with deep knowledge of business development.

Petter Segelman Lindqvist serves as the Chief Executive Officer, Margareta Hagman holds the position of Chief Financial Officer, and Dr. Roger Tell is the Chief Medical Officer. For more information about the Board of Directors and management, please refer to page 32 and 35, and the company website.

EXTERNAL ADVISORS

Isofol maintains close dialogue with clinical experts worldwide to discuss the design of the arfolitixorin study program and the overall development process. The company's clinical advisory board serves as a notable example, consisting of leading oncologists and colorectal cancer experts from the United States, Europe and Japan:

- Heinz-Josef Lenz, MD, professor, Associate Director for Clinical Research at the USC Norris Comprehensive Cancer Center, USA.
- Sebastian Stintzing, MD professor, Head of the Department of Hematology, Oncology and Cancer Immunology (CCM) at Charité - Universitätsmedizin Berlin, Germany.
- Takayuki Yoshino, MD, PhD, Chairman of the Japan Society of Clinical Oncology, Chief of the Department of Gastrointestinal Oncology, National Cancer Center Hospital East, Japan.
- Frits Peters, PhD, professor emeritus at the Laboratory Medical Oncology, Amsterdam University Medical Center, professor at the Medical University of Gdansk, Poland, and honorary professor at Amity University in Noida, India.

Isofol's founder and the initiator of the clinical development of arfolitixorin, Professor Bengt Gustavsson, MD, PhD, Professor of Surgery, is also affiliated with the company as a senior advisor. He is one of the originators behind the positive effect of leucovorin on 5-FU, which is the mainstay of almost all colorectal cancer treatments.

COMMERCIAL PARTNERS

Merck – experts in the processing of substance

Isofol maintains a strategic research and development partnership with Merck Life Science KGaA, Germany, and its Swiss subsidiary Merck & Cie. This partnership, formalized through a global licensing agreement, offers numerous synergies. Isofol contributes with specialized knowledge in the development and application of arfolitixorin for cancer treatments, while Merck provides expertise in synthesizing of a stable API (active pharmaceutical ingredient) of [6R]-MTHF as well as formulating a stable and sustainable drug. The companies engage in ongoing collaboration regarding, for example, intellectual property and patents as well as further product development.

Solasia Pharma K.K.

Isofol has established a regional license agreement for Japan, the world's second largest pharmaceutical market, with Solasia Pharma K.K. The agreement has a total value of 100 million dollars, consisting of initial payments and future milestone payments linked to clinical development, regulatory processes and sales. Additionally, Isofol is entitled to an incremental double-digit royalty based on the future net sales. This agreement provides insight into the potential value that licensing in other regions of the world, or alternatively a divestment of the project, could generate.

In March 2024, Solasia announced their continued strong commitment to the development of arfolitixorin, and in August, the company confirmed their readiness to finance potentially upcoming studies in Japan. Solasia contributes with their expertise on an ongoing basis and participates in shaping the details of the clinical development program and will expand the phase II part of the upcoming study to include Japanese patients in 2026. This inclusion significantly increases the study size and enhances diversity in the patient population, creating a solid foundation for subsequent regulatory processes in both Japan and other geographic markets.

Knight Therapeutics Inc.

Isofol has a license agreement with Knight Therapeutics Inc. (formerly Paladin Pharma Inc.) covering commercialization in the Canadian market, which will also generate royalty income from future sales.

As the clinical development program advances, discussions will be initiated with additional potential partners for other regions of the world, regarding both further clinical development and commercialization.

Charité – Universitätsmedizin Berlin
Isofol has established a research collaboration with Charité - Universitätsmedizin Berlin, Germany, and its Department of Hematology, Oncology and Cancer Immunology (CCM) headed by Professor Sebastian Stintzing, MD. The collaboration focuses on the development of the drug candidate arfolitixorin for colorectal cancer and other solid tumors. Under this agreement, Isofol and Charité - Universitätsmedizin Berlin will jointly conduct the phase Ib/II clinical study. Professor Stintzing serves as the coordinating investigator of the study.

Link Medical – CRO
Clinical Research Organization; a company specialized in the practical conduct of clinical studies. Link Medical is Isofol's primary CRO that manages the clinical study on behalf of and in collaboration with Isofol.

Recipharm – commercial manufacturer
Recipharm in Wasserburg, Germany has been a partner for the manufacturing of Isofol's product, arfolitixorin, since 2015. A large-scale production process is in place and Isofol has a close dialogue with Recipharm to secure manufacturing and deliveries in connection with the clinical studies.

Other partnerships
In addition to the above mentioned partners, Isofol maintains close collaborations with advisors and experts in regulatory affairs, statistical planning and analysis, intellectual property and patents, legal matters, and other fields.

Isofol's history

2023

Initiated detailed analysis of the AGENT study outcome and possible way forward for the drug candidate arfolitixorin.

2024

A new development plan for arfolitixorin, based on a comprehensive evidence platform consisting of analyses and studies, was presented and showed that a new dosage regimen could lead to better results.

Solasia intensified its commitment to the continued development of arfolitixorin and plans to expand the upcoming clinical study in Japan.

Collaboration agreement signed with the world-leading hospital, Charité - Universitätsmedizin Berlin, to conduct the phase Ib/II clinical study in Germany.

2025

A new phase Ib/II clinical study with an optimized dosing regimen is initiated in Germany.

Rights issue.

New graphic identity.

ISOFOL

2026

In February the company provided an update on the ongoing phase Ib/II clinical study of arfolitixorin, All six patients evaluated to date in the study have shown tumor shrinkage without dose-limiting side effects. Half of the patients have unexpectedly become candidates for tumor surgery during treatment.

In March the company announced that its global exclusive license agreement has expanded for arfolitixorin to also include development and commercialization in cerebral folate deficiency and, for example, autism spectrum disorder.

In March, the outcome of the warrants of series TO1 was announced, resulting in approximately MSEK 18.9 being received to the company before issue costs.

2022

Analysis of the study data in the AGENT study begins in April.

Final data showed that arfolitixorin did not meet either the primary endpoint or the key secondary endpoint.

2021

Rights issue.

Isofol's share is listed on Nasdaq Stockholm. Nasdaq

Receives Fast Track Designation.

2020

New share issue.

The global phase III study, AGENT, with arfolitixorin begins in Japan.

Licensing agreement signed with Solasia Pharma K.K. in Japan. Solasia

Licensing agreement signed with Paladin in Canada. paladin

The AGENT study fully enrolled with 440 patients.

2018

The global phase III study, AGENT, with arfolitixorin begins in the US and Europe.

2017

IPO: Isofol's share is listed on Nasdaq First North Premier Growth Market.

2016

Regulatory support from FDA and EMA.

2013

Signing of license agreements with Merck, and initial partnership with Recipharm.

MERCK

Recipharm good for business

2011

Clinical study begin.

2008

The company was founded by Prof. Bengt Gustavsson based on a research collaboration between him and Merck & Cie, the world's leading manufacturer of folate-based therapies.

ISOFOL

The share

Isofol Medical's (publ) share has been listed on Nasdaq Stockholm under the ticker ISOFOL since 2021.

SHARE CAPITAL

As of December 31, 2025 the share capital of Isofol Medical amounted to SEK 8,606,893 (4,945,253), distributed between 281,107,224 shares (161,515,440) with a nominal value of SEK 0.0306 (0.0306). All of Isofol's outstanding ordinary shares entitle the holder to one vote. The number of shareholders as of December 31, 2025 was approximately 12,660 (14,050).

LONG-TERM INCENTIVE PROGRAM

The 2025 annual general meeting resolved to implement a long-term incentive program in the form of performance-based share rights directed to senior executives and employees within Isofol. The motives behind the incentive program are, among other things, to align employee interests with shareholders in creating long-term value, to contribute to higher motivation and commitment among the employees and strengthen the ties between the employees and the company.

Within the scope of the program, the board of directors has allocated rights to participants free of charge, entailing the right to, provided that certain targets are met, receive performance shares. The vesting of the rights takes place over a period of three years calculated from the date of allocation of the rights.

The total number of share rights amounts to 2,298,154 (after recalculation due to rights issue). Employees have subscribed to 1,750,975 of these share rights, while 547,179 are reserved by the company for hedging social security costs. The start of the program was set at August 15, 2025, with a vesting period of three years.

SHARE PRICE TREND AND LIQUIDITY

On December 31, 2025 the share price was SEK 0.73 (2.22) per share, a decrease of 67 percent compared to the closing price as of December 31, 2024. The OMX Stockholm Pharmaceuticals & Biotechnology PI-index rose by 7.0 percent during the same period. At year-end 2025, Isofol's market capitalization was mSEK 204.9 (358.6) based on the closing price. The highest closing price during the period was SEK 2.38 and the lowest quote during the period was SEK 0.67.

TRADING VOLUME

189.2 million (425.9) Isofol shares were traded during the year, corresponding to a turnover rate of 87 percent (264).

DIVIDEND POLICY AND DIVIDEND

Isofol is a biotechnology company and there are no plans to pay dividends in 2025 or the next coming years. Dividend may be paid in the future when the company's results and financial position so permit.

CONTACT INVESTOR RELATIONS

Petter Segelman Lindqvist, CEO
Margareta Hagman, CFO

LARGEST SHAREHOLDER AT DECEMBER 31, 2025

Shareholders	Number of share	Share capitel
Christian Haglund*	29,605,286	10,53 %
Avanza Pension	14,332,652	5,10 %
Swedbank Försäkring	10,948,040	3,89 %
Mats Franzén*	8,555,269	3,04 %
Nordnet Pensionsförsäkring	8,544,119	3,04 %
Hans Enocson	7,592,052	2,70 %
Solasia Pharma K.K.	6,249,996	2,22 %
Göran Gustafsson*	5,781,293	2,06 %
Urus AB	5,504,175	1,96 %
Movestic Livförsäkring,AB	4,590,644	1,63 %
10 largest shareholders	**101,703,526**	**36,18 %**
Other shareholders	179,403,698	63,82 %
TOTAL	**281,107,224**	**100,00 %**

** Own or related natural or legal person's holding of shares (direct and indirect) and other financial instruments in the company.*

Source: Monitor of Modular Finance AB. Compiled and processed data from sources including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

“We have a unique commercial position in a market dominated by generics”

Isofol’s Chairman of the Board, Jan-Eric Österlund, shares his perspective on the competitive position and commercial opportunities of arfolitixorin, reflects on key events from the past year and outlines the Board’s priorities going forward.

WHAT ADVANCES HAVE BEEN THE MOST SIGNIFICANT FOR ISOFOL IN RECENT YEARS?

— Over the past two years, we have made important strides in the development of our drug candidate arfolitixorin. Results from our preclinical and clinical studies clearly demonstrate that arfolitixorin has the potential to outperform the folate-based drugs used in today’s standard treatment. These results have given us a strong foundation for the next phase of development.

In the ongoing clinical trial, we have so far been able to administer significantly higher doses of arfolitixorin without observing any severe side effects. This supports our earlier preclinical results and indicates that the higher doses capable of improving treatment efficacy are safe to administer to patients. In addition, all patients treated to date have shown tumor shrinkage, although the results are preliminary, and the primary objective of the study is to evaluate safety.

In addition to these medical advances, we have also extended our patent protection by approximately ten years. This means that our intellectual property rights now extend to the mid-2040s, strengthening the commercial value of the project.

HOW DOES THE BOARD ASSESS THE COMPANY’S COMPETITIVE POSITION AND ABILITY TO DIFFERENTIATE ITSELF SCIENTIFICALLY AND COMMERCIALLY?

— The current standard first-line treatment for colorectal cancer and several other solid tumors is based on 5-FU in combination with folate, and there is currently nothing on the horizon that appears likely to replace this well-established treatment within a reasonable timeframe.

Arfolitixorin fits perfectly into this standard as an improved alternative to current folate-based drugs. Our studies show that even the lower doses previously evaluated are as effective as current folates, and that higher doses have the potential to deliver even better treatment outcomes. This is a crucial distinction from current folates, where higher doses provide no additional effect – arfolitixorin therefore holds a unique position as the only folate with the potential to improve treatment outcomes through higher dosing.

While the patents for 5-FU, leucovorin, oxaliplatin, and bevacizumab expired long ago, arfolitixorin is the only product in this treatment combination with protection extending well into the 2040s. This gives us a unique commercial position in a market otherwise dominated by generics.

WHAT ARE THE MAIN PRIORITIES FOR THE BOARD AND THE COMPANY IN THE COMING YEAR?

— In the coming period, the Board will focus on three main areas: driving the ongoing clinical study according to the established timeline with clear milestones to achieve regulatory and scientific goals, actively planning for commercialization by preparing the company for discussions with potential partners, and continuing to deploy our financial resources optimally while remaining prepared to act quickly on attractive opportunities that could strengthen the company’s cash position ahead of the next phase.

> Results from our preclinical and clinical studies clearly demonstrate that arfolitixorin has the potential to outperform the folate-based drugs used in today’s standard treatment.

Jan-Eric Österlund
Chairman of the board, Isofol Medical AB (publ)

Financial information and corporate governance report

Administration report

The Board of Directors and CEO of Isofol Medical AB (publ) (Isofol), corporate identity number 556759-8064, hereby present the annual report for the 2025 financial year.

OPERATIONS

Isofol, headquartered in Gothenburg, is a clinical stage biotechnology company focused on improving outcomes for patients with severe forms of cancer. The company's drug candidate arfolitixorin, a next generation folate treatment, is designed to enhance the efficacy of standard first line therapies for several types of solid tumors. Arfolitixorin is currently being evaluated in phase Ib/II in colorectal cancer, the world's third most common cancer, where there is a significant unmet medical need.

A phase Ib/II study is now being conducted with a new dosage regimen that are expected to optimize the effect of the drug candidate. The study is initially being conducted at Charité – Universitätsmedizin Berlin, one of Europe's leading academic hospitals. An expansion to other hospitals in Germany and other European countries and to Japan is planned for 2026,

Isofol is listed on Nasdaq Stockholm.

SIGNIFICANT EVENTS DURING THE YEAR

- In March 2025 the company announced that it had received approval from the regulatory authority in German, BfArM, to initiate the new clinical study of the drug candidate arfolitixorin. The study is initiallly conducted in Germany.
- In March 2025 Isofol informed that an advisory board, with leading oncologists and colorectal cancer experts from the US, Europe and Japan, had been established.
- In April 2025 the company announced that the Japanese development and commercialization partner, Solasia Pharma KK, intends to conduct and finance the upcoming clinical studies in Japan.
- At the end of April 2025, the first patient in the phase Ib/II clinical study with arfolitixorin was included. In mid-June the company announced that the first dose cohort was completed, and the next dose cohort had been initiated in accordance with decision by the Safety Review Committee for the study.
- On May 12, the company announced a fully guaranteed rights issue of units amounting to approximately SEK 85 million and a proposal for an over-allotment of approximately SEK 10 million. The rights issue and the over-allotment were approved at an extraordinary general meeting held on June 11, 2025.
- In the beginning of July, the outcome of the share issue was announced. The rights issue was oversubscribed by 120 percent and the overallotment was utilized with half the amount to the Japanese parter Solasia Pharma K.K. In total the issues provided the company approximately SEK 91 million gross and approximately SEK 84 million net after dedcution of transaction costs.
- In mid-July, Isofol announced that the company had successfully completed a pre-IND meeting with the U.S. Food and Drug Administration, FDA.
- At the end of September, Isofol announced that they had completed the second dose level in the dose escalating clinical phase Ib/II study with arfolitixorin and the Safety Review Committee had cleared the initiation of the third dose level.
- In mid-November, Isofol announced that the European Patent Office (EPO) had issued an "Intention to Grant" for a new product patent for the company's cancer drug candidate arfolitixorin. Patent protection is thus secured until 2043.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- On February 24, 2026, the company provided an update on the ongoing phase Ib/II clinical study of arfolitixorin, All patients evaluated to date in the study have shown tumor shrinkage without dose-limiting side effects. Half of the patients have unexpectedly become candidates for tumor surgery during treatment.
- On March 18, 2026, the company announced that its global exclusive license agreement has expanded for arfolitixorin to also include development and commercialization within autism spectrum disorder.
- On March 31, 2026, the company announced that the exercise period for warrants of series TO1 ended on March 30, 2026. The outcome shows a subscription rate of approximately 93.57 percent. As the warrants were not exercised in full, the top guarantee commitment has been utilized corresponding to 5.23 percent of the outstanding warrants. Through the exercise of the warrants of series TO1 and guarantee commitments, Isofol will receive approximately mSEK 18.9 before issue costs.

THE COMPANY'S KEY PERFORMANCE INDICATORS MULTI-YEAR OVERVIEW

As a development company whose drugs are still at the development stage, Isofol has limited revenue from licensing agreements and has no revenue to recognize for drugs, but has significant research and development costs.

THE SHARE AND OWNERSHIP STRUCTURE

The share capital of Isofol Medical AB (publ) amounts to kSEK 8,607 (4,945). Isofol's shares have been admitted to trading on Nasdaq Stockholm since 2021. As of December 31, 2025, the total number of shares and votes in the company is 281,107,224 (161,515,440). All shares are ordinary shares and carry equal entitlement to the company's profit, and each share entitles the holder to one vote at an Isofol general meeting of shareholders. At the end of 2025, the company had approximately 12,660 shareholders (14,050), and the ten largest shareholders owned 36.2 percent (37.2) of the outstanding shares and other shareholders owned 63.8 percent (62.8).

FIVE-YEAR SUMMARY

	2025	2024	2023	2022	2021
Net revenue (kSEK)	-	-	721	12,797	22,407
Operating result (kSEK)	-55,983	-47,209	-41,683	-167,543	-204,583
Result after financial items (kSEK)	-54,168	-43,488	-37,071	-159,793	-200,280
Total assets (kSEK)	129,397	98,417	140,597	209,890	400,004
Equity ratio (%)	83.4	79.2	86.4	75.5	79.6
Average number of employees	5.9	4.3	4.8	14	13

SALES AND RESULT
Sales in 2025 amounted to mSEK 0 (0).

Other external costs amounted to mSEK 40.2 (38.7), corresponding to an increase of mSEK 1.5. Costs during the period are primarily attributable to the Phase 1b study, mainly related to clinical CRO services and patient-related expenses but also to regulatory and advisory services, along with other ongoing operating expenses. Other external costs in the previous year were primarily attributable to start up expenses and advisory services ahead of the forthcoming study, as well as consultancy resources for preclinical studies and drug development. Two consultants, whose costs were included in other external expenses last year, are now employed by the company

Personnel costs amounted to mSEK 14.6 (8.5), corresponding to an increase of mSEK 6.1, which is mainly due to the increase in the average number of employees from four to six people. These two were previously engaged as consultants in the company and included in other external costs.

Research and development costs, which are included in both other external costs and personnel costs, amounted to mSEK 39.9 (23.7) during the year.

The result after financial items was mSEK -54.2 (-43.5). The company has no tax costs since there is no profit. Due to the uncertainty in future profit generation, no deferred tax income and deferred tax assets are recognized regarding the tax losses.

LIQUIDITY AND FINANCIAL POSITION
The company's cash and cash equivalents as of December 31, 2025 amounted to mSEK 127.0 (96.2). Cash and cash equivalents consist of cash and bank balances and short-term financial investments. The short-term financial investments consist of fixed-rate investments for three and six months in Danske Bank and SBAB. No loans have been taken up as of December 31, 2025 or have been taken up since then mSEK 0 (0) has been pledged as collateral from cash and equivalents. Working capital amounted to mSEK 108.5 (78.6). The Board of Directors and management deem that the company has adequate funding to pursue its planned operations over the next 12 months.

CASH FLOW AND INVESTMENTS
Cash flow from operating activities during the year amounted to mSEK -51.9 (-42.0), representing a change of mSEK -9.9. The negative cash flow is primarily attributable to the operating result.

Cash flow from investing activities amounted to mSEK 0 (0). Cash flow from financing activities amounted to mSEK 84.1 (0), which is due to completed rights issue at the beginning of July. Cash flow for the year amounted to mSEK 32.1 (-42.0), corresponding to a change of mSEK 74.1.

EMPLOYEES
At the end of the year, the number of employees in the company amounted to six (five), of which two men and four women. The average number of employees in 2025 was 5.9 (4.3). In addition, the company has a number of consultants in key positions who work full-time or nearly full-time for Isofol.

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES
In accordance with the Swedish Companies Act, the general meeting of shareholders has to resolve upon guidelines for remuneration of the CEO and other senior executives. Guidelines for remuneration of senior executives were adopted at the Annual General Meeting held on May 19, 2022, to apply until the end of the 2026 Annual General Meeting. No deviations from these guidelines have taken place. The following guidelines were adopted at the 2022 Annual General Meeting:

Scope
These guidelines encompass the executive management of Isofol Medical AB (publ) and the company's Board members to the extent that remuneration other than that resolved by the Annual General Meeting is paid to Board members. The term "executive management" refers to the CEO and other members of the executive management. "Other members of the executive management" refers to members of the management team and managers who report directly to the CEO. Managers reporting directly to the CEO in 2025 were the Chief Medical Officer and the Chief Financial Officer. The guidelines are forward-looking and are to be applied to agreed remuneration and changes made to already agreed remuneration, after the guidelines were adopted by the 2022 Annual General Meeting. The guidelines do not cover remuneration resolved upon by the general meeting of shareholders. For employment relationships that fall under regulations other than Swedish regulations, appropriate adaptations may be made to comply with such regulations or established local practice, the overall aim of the guidelines being met as far as possible.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability
The objective is to make arfolitixorin available worldwide and in so doing improve the prognosis for patients with cancer being treated with 5-FU-based therapies. 5-FU-based chemotherapy in combination with the folate leucovorin is the core of standard treatment for several solid tumors, including colorectal cancer, and is expected to continue to form the basis of first-line treatment for the foreseeable future. The purpose of adding folate is to enhance the effect of chemotherapy, which in turn improves survival. It is hoped that the additional direct-acting substance arfolitixorin will further improve the efficacy of 5-FU. Improved first-line treatments offer the greatest potential to improve treatment outcomes, and Isofol's goal is to have a central impact on tomorrow's cancer care – helping more patients respond better to their treatment, improve their prognosis, and gain more time with life.

The successful implementation of the company's business strategy and safeguarding of the company's long-term interests, including its sustainability, requires the company to be able to recruit and retain skilled employees. To achieve this, Isofol needs to be able to offer competitive total remuneration. Total remuneration must be market-based and competitive and must be in line with the individual's responsibilities and powers. Any variable cash remuneration covered by these guidelines must also aim to promote the company's business strategy and longterm interests, including its sustainability.

Remuneration of senior executives
Forms of remuneration, etc.
The company must offer total market-based remuneration that enables skilled senior executives to be recruited and retained. Remuneration within the company must be based on principles related to performance, competitiveness and fairness. The remuneration must be market-based and consist of the following components: fixed salary, possible variable salary pursuant to a separate agreement, pension and other benefits. In addition, the general meeting may, if it so decides, make an offer of longterm incentive programs such as share- or share price-based remuneration or incentive programs. Such long-term incentive programs are decided by the general meeting of shareholders and are therefore not covered by these guidelines.

Fixed salary
Fixed salary consists of a fixed cash salary, which is reviewed annually. Fixed salary reflects the demands placed on the position regarding competence, responsibility, complexity and how the position is expected to help achieve the company's objectives. Furthermore, fixed salary must be individual and differentiated and reflect predetermined and achieved performance targets.

Variable salary
In addition to fixed salary, the CEO and other

members of executive management may, under a separate agreement, receive variable salary when they meet predetermined criteria. Any variable salary consists of annual variable cash remuneration and may not exceed 50 percent of the fixed annual salary for the CEO and 33 percent for other senior executives.
The variable salary must be linked to one or more predetermined and measurable criteria and must aim to promote the company's business strategy and long-term interests, including its sustainability, for example by having a clear link to the business strategy or by furthering the long-term development of the executive. The criteria can be both financial and non-financial. The criteria can also be individualized quantitative or qualitative goals. By linking the remuneration of senior executives to the company's earnings and sustainability, the goals promote the implementation of the company's business strategy, its long-term interests and its competitiveness. The criteria apply for one financial year at a time. The fulfilment of criteria for the payment of variable salary is assessed annually. This assessment determines how well the criteria are met. The Remuneration Committee is responsible for the assessment of variable cash remuneration of the CEO. The CEO is responsible for the assessment of the variable cash remuneration of other senior executives. Financial targets must be assessed on the basis of the latest financial information published by the company.

The Board of Directors must be able to recover, in full or in part, variable remuneration paid for incorrect reasons in accordance with law or agreement and with the restrictions that may result therefrom.

Pensions
For the CEO, pension benefits, including health insurance, are defined-contribution and the premiums are not to exceed 30 percent of fixed annual salary. For other members of executive management, pension benefits, including health insurance, are to be defined-contribution unless the executive is covered by a defined-benefit pension in accordance with mandatory collective agreement provisions. The premiums for defined-contribution pensions are not to exceed 30 percent of fixed annual salary. Variable cash remuneration is not to be pensionable.

Other benefits
Other benefits, which may include a company car, travel expenses and health insurance, are market-based and constitute a limited portion of the total remuneration. Premiums and other costs arising from such benefits may amount to a maximum of ten percent of fixed annual salary.

Terms and conditions in the event of termination
In the event of termination, the CEO is subject to a mutual notice period of six months. There are no severance agreements for the CEO. A mutual notice period of six months applies in the event of termination of other senior executives. There are no severance pay agreements with other senior executives.

Remuneration of Board members
Board members are entitled to receive only such remuneration as is decided by the general meeting of shareholders. In special cases, Board members can be remunerated for services within their respective areas of expertise or competence, provided that the service performed is beyond what can be regarded as a customary assignment as a Board member. For these services (including services performed by a company wholly owned by a Board member), a market-based fee is to be paid, provided such services contribute to the implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability. Such consultancy fees may not exceed the annual Board fees for each Board member and must be regulated in a consultancy agreement approved by the Board (subject to the disqualification rules in the Swedish Companies Act).

Salary and terms of employment for employees
In preparing the Board's proposal for these remuneration guidelines, salary and terms of employment for the Company's employees have been taken into account by including information on the employees' total remuneration, the component parts of the remuneration and the increase and rates of increase in remuneration over time as part of the Remuneration Committee's and Board's basis for decision-making when evaluating the reasonableness of the guidelines and the limitations that follow from them.

Process of preparation and decision-making
The Chairman and members of the Board of Directors are paid fees in accordance with a resolution of the Annual General Meeting. The Board of Directors has appointed a Remuneration Committee consisting of the Chairman of the Board, Jan-Eric Österlund, and the Board members Lars Lind and Alain Herrera. The Remuneration Committee is required to consider matters relating to the remuneration and other terms of employment of the executive management. Principles for the remuneration of senior executives are adopted at the Annual General Meeting.

The Remuneration Committee's task is to draw up proposals in accordance with these principles. The members of the Remuneration Committee must be independent in relation to the company and executive management. Remuneration of the CEO and other senior executives employed by the company consists of basic salary, variable remuneration, pension and other benefits. Other senior executives mean the two persons who, together with the CEO, make up the executive management.

The Board must draw up a proposal for new guidelines at least every four years and submit the proposal for resolution at the Annual General Meeting.

The guidelines apply until new guidelines have been adopted by the general meeting of shareholders. The Remuneration Committee monitors and evaluates programs for variable remuneration of the executive management, the application of guidelines for remuneration of senior executives, current remuneration structures and remuneration levels within the company. The remuneration of the CEO is decided within the framework of principles approved by the Board following preparation and recommendation by the Remuneration Committee. The remuneration of other senior executives is decided by the CEO within the framework of established principles and in consultation with the Remuneration Committee. The CEO and other members of executive management do not participate in the Board's processing of and decisions on remuneration-related matters insofar as they are affected by these matters.

Deviation from the guidelines
The Board of Directors may decide to deviate from the guidelines in full or in part if there are specific reasons to do so in individual cases and a departure is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration matters, which includes decisions on deviations from the guidelines.

RISKS AND UNCERTAINTIES

Isofol conducts research and development in the field of cancer treatment, primarily for colorectal cancer. The company's business activities mainly comprise the development of the drug candidate arfolitixorin. The entire long-term operation and success of Isofol is thus dependent on the results of the arfolitixorin development program. Isofol's main risks are as follows:

- There is a risk that the planned studies will not indicate sufficient safety and efficacy to obtain the required regulatory approvals or for the company to be able to continue to license, establish partnerships or sell any potential product.

- There is a risk that the planned studies will be delayed. Delays can occur for a variety of reasons, including difficulties in reaching agreements with clinics about participation under acceptable terms, problems in identifying patients for studies, and patients not completing a study or not returning for follow-up.
- If Isofol does not receive the required product approvals or in the event of a future withdrawal or restriction of any approvals, this could have an adverse impact on Isofol's operations, financial position and results.
- Since Isofol is in the clinical development phase and has no revenue, its cash flow is expected to remain negative until revenue is generated. As a result, the company will require additional capital to complete the necessary studies before the drug candidate can be commercialized. The board and management continuously assess opportunities to secure funding. If the company is unable, in whole or in part, to raise sufficient capital, the development process may be delayed or discontinued.
- Merck owns significant rights and patents for arfolitixorin. Isofol has been granted an exclusive worldwide license to utilize, develop and commercialize arfolitixorin for the treatment of cancer. In the event that Isofol does not meet its contractual obligations with Merck, there is a risk that Merck will terminate the agreement and the license, which would have a material negative impact on the company's operations and its ability to develop and commercialize its drug.
- Isofol is dependent on a number of key employees for the continued development of the company's operations and preclinical and clinical projects. However, there is a risk that one or more of the company's employees could terminate their employment with Isofol or that the recruitment of new individuals and consultants with relevant knowledge and expertise could be unsuccessful, which could delay the company's development and commercialization of its drug candidate, and could have a negative impact on the company's operations, financial position and results.
- The company has not yet launched any pharmaceutical product on the market. Accordingly, no sales of products have begun, which means that Isofol's operations have so far not generated any sales revenue. Arfolitixorin is currently the company's only drug candidate.
- There is a risk that competing drugs could take market share or that competing research projects could achieve better efficacy and reach the market faster, meaning that the future value of the drug may be lower than expected. For more information about risks and risk management, refer to Note 17.

INSURANCES

Isofol conducts regular reviews together with brokers and advisers, both locally and globally, ensuring that the business and area of responsibility are properly insured.

LEGAL DISPUTES

The company was not involved in any legal disputes in 2025.

ENVIRONMENT AND RESPONSIBILITY

Isofol's operations do not entail any specific environmental risks and do not require any specific environmental permits or decisions from authorities. Isofol believes that the company conducts its activities in accordance with applicable health and safety rules and provides its employees with a safe and healthy work environment. The company's goal is to contribute to sustainable development and to make active efforts to improve and minimize its environmental impact to the extent that this is possible and financially reasonable. The company's studies are conducted globally, which entails travel and transportation by air. The company strives to streamline processes in dialogue with suppliers and hospitals to minimize the number of transports as far as possible.

WORK OF THE BOARD OF DIRECTORS

At the end of 2025, the Board of Directors consisted of five ordinary members, including the Chairman, who were re-elected at the 2025 Annual General Meeting. The overall task of the Board is to manage the affairs of the company on behalf of the shareholders and to be responsible for the company's organization. These tasks include setting targets and strategies, devising procedures and systems to evaluate set targets, continuously assessing the company's financial position and performance, and evaluating the operational management. In 2025, the Board held 18 meetings, of which one was statutory Board meeting and eight were held per capsulam. The Board of Directors applies written rules of procedure that are revised annually and adopted by the statutory Board meeting every year. The rules of procedure regulate the distribution of work between the Board and the CEO and between the Board and the committees the Board decides to establish, as well as Board practice for the coming year. For more information, see the Corporate Governance Report for 2025 on pages 29-37.

INTERNAL CONTROL

For more information on internal control, refer to the Corporate Governance Report for 2025, which is included on pages 29-37 of this Annual Report.

EXPECTATIONS REGARDING FUTURE DEVELOPMENT

Based on the evidence and knowledge of arfolitixorin generated to date, the strong partnerships established with both clinical experts and collaborators, and the expertise and talent within the organization, Isofol is now well-positioned to continue the clinical development of arfolitixorin. The goal is clear: to improve cancer treatment for millions of patients and, in doing so, create significant value for cancer patients, shareholders, and society as a whole.

DIVIDEND POLICY

In accordance with the Board's dividend policy, no dividend will be paid until the company's financial position permits.

PROPOSED APPROPRIATION OF THE COMPANY'S PROFIT

The following funds are at the disposal of the Annual General Meeting, amounts in SEK:

Share premium reserve	1,298,684,408
Retained earnings	-1,145,250,744
Result for the year	-54,168,128
Total	**99,265,536**

The Board of Directors proposes that the available profits be appropriated as follows:

To be carried forward	99,265,536
Total	**99,265,536**

With regard to the company's results and financial position in general, refer to the following financial statements and accompanying notes.

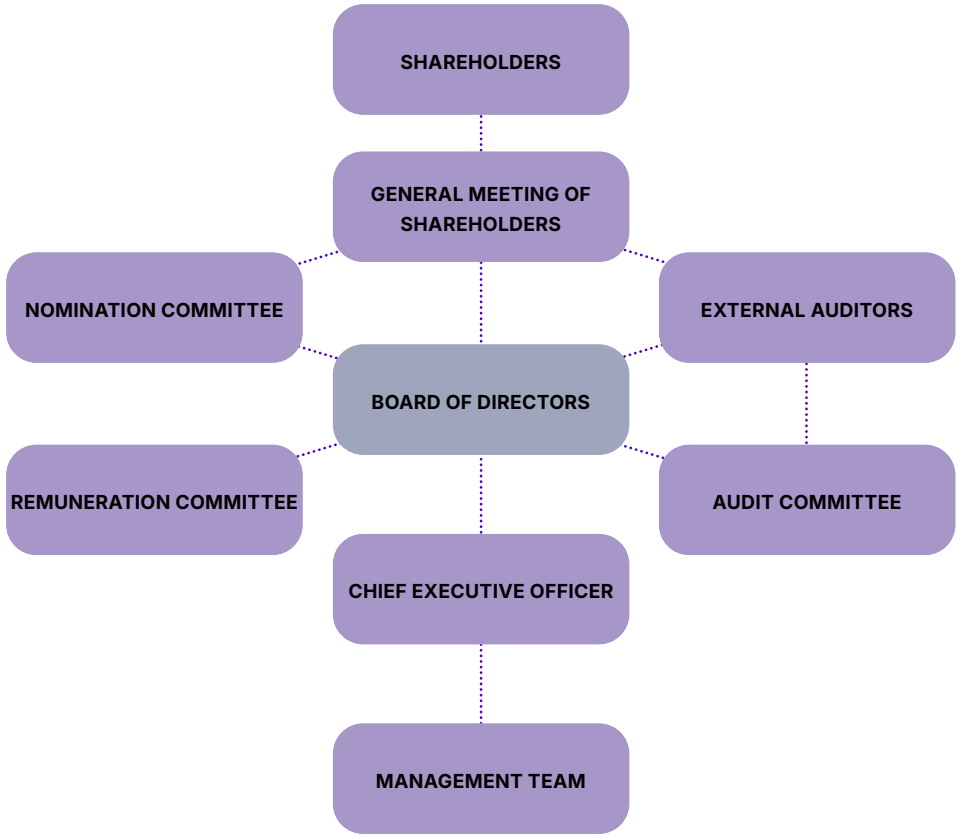
Corporate governance report

INTRODUCTION
Isofol Medical AB (publ) is a Swedish public limited company with its registered office in Gothenburg, Sweden, whose shares are listed on Nasdaq Stockholm and traded under the ticker ISOFOL. The Board of Directors of Isofol Medical AB (publ), corporate identity number 556759-8064 (the "Company"), hereby submits its Corporate Governance Report for 2025, which has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the "Code"; see the Swedish Corporate Governance Board's website www.bolagsstyrning.se), Nasdaq Stockholm's Rule Book for Issuers, Isofol's Articles of Association, and company-specific rules and guidelines. The report has been reviewed by the company's auditors, and the auditors' opinion is included in the auditor's report on pages 54-56. In 2025, Isofol applied the Code without deviations.

ISOFOL'S CORPORATE GOVERNANCE MODEL
The purpose of Isofol's corporate governance is to create a clear division of roles and responsibilities between the shareholders, the Board and executive management. The governance, management and auditing of Isofol is distributed between the general meeting of shareholders, the Board and its elected committees, and the CEO. The diagram on the right illustrates Isofol's corporate governance model and who appoints the company's central bodies. The various bodies exercise their influence and control in relation to each other. The shareholders appoint the company's Nomination Committee, Board of Directors and auditors at the general meeting of shareholders (Annual General Meeting).

Significant external regulations and policies:
- The Swedish Companies Act
- External auditing regulations
- International Financial Reporting Standards (IFRS)
- Nasdaq Stockholm's Rule Book for Issuers
- The Swedish Corporate Governance Code
- Other applicable laws and regulations

Significant internal regulations and policies:
- Articles of Association
- The Board's rules of procedure, including instructions for the Board's committees
- CEO's instructions, including instructions on financial reporting
- Guidelines for the remuneration of senior executives
- Financial policy
- IT policy and information security policy
- Employee handbook
- Authorization instructions
- Risk management policy
- Financial handbook, including policy for related-party transactions
- Information and insider policy



CORPORATE GOVERNANCE STRUCTURE

Shareholders and the share

Isofol is a CSD-registered company, which means that the company's share register is maintained by Euroclear Sweden AB. The share capital of Isofol Medical AB comprises one class of share that entitles the holder to equal voting rights and equal rights to a share of the company's assets. Isofol's shares were admitted to trading on Nasdaq Stockholm on October 21, 2021. As of December 31, 2025, the total number shares and votes in the company was 281,107,224 (161,515,440), distributed between approximately 12,660 (14,050) shareholders. For further information on Isofol's ownership structure and major shareholders, refer to page 22 of the Annual Report for 2025 and www.isofolmedical.com.

There are currently no restrictions on the transferability of Isofol's shares due to legal restrictions or provisions in the Articles of Association. As far as Isofol Medical AB (publ) is aware, no agreements have been reached between any shareholders that could limit the transferability of the shares. As of December 31, 2025, one shareholder owns more than ten percent of the company's shares and votes.

There were no infringements of Nasdaq Stockholm's regulations or of generally acceptable practices in the stock market in accordance with a decision by the stock exchange's Disciplinary Committee or the Swedish Securities Council during the financial year.

General meeting of shareholders

In accordance with the Swedish Companies Act, the shareholders' influence over the company is exercised at the general meeting of shareholders, which is the company's highest decision-making body. At the general meeting of shareholders, the shareholders resolve on key issues, such as amendments to the Articles of Association, adoption of income statements and balance sheets, any dividends and appropriation of the company's earnings, election of Board members and auditors, remuneration of Board members and auditors, and discharge from liability of the Board and the CEO. The general meeting also resolves on guidelines for remuneration of senior executives. The general meeting also resolves among other things on guidelines for salary and other remuneration of senior executives, any new share issues and how the Nomination Committee is to be appointed.

Annual general meetings and extraordinary general meetings are convened by publishing the convening notice in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and making the notice available on the company's website, www.isofolmedical. com. An announcement that notice has been served has to be published in Dagens Industri on the same date.

Shareholders who are registered in the share register maintained by Euroclear Sweden AB are entitled to attend general meetings. To attend a general meeting, shareholders must notify the company no later than on the day specified in the notice convening the meeting. This may not be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not fall less than five working days prior to the meeting. At a general meeting, shareholders may be accompanied by one or two assistants, although only if the shareholder has given notification of this to the company as specified above. The annual general meeting has to be held within six months of the end of the financial year. One share entitles the holder to one vote at general meetings. At the general meeting, each voting member may vote for the full number of shares held or represented without restriction on voting rights.

Shareholders wishing to submit proposals to Isofol's Nomination Committee may do so by e-mail at: valberedningen@isofolmedical.com or by mail at: Isofol Medical AB, Attn: Nomination Committee, Arvid Wallgrens Backe 20, SE-413 46 Gothenburg, Sweden.

2025 Annual General Meeting

The 2025 Annual General Meeting of Isofol Medical AB (publ) was held on May 21, 2025 at 15:00 at the Biotech Center, Arvid Wallgrens backe 20, 5th floor, Gothenburg. Among other resolutions, the following were resolved at the Annual General Meeting:

- that the number of members of the Board of Directors shall be five ordinary members without deputies and that the number of auditors shall be one registered audit firm.
- re-election of Jan-Eric Österlund, Alain Herrera, Helena Taflin, Lars Lind and Sten Nilsson.
- Jan-Eric Österlund was re-elected as Chairman of the Board.
- the registered audit firm KPMG AB was re-elected, and it was noted that the authorized public accountant Daniel Haglund would be the auditor in charge.
- that the remuneration of the Chairman of the Board of Directors shall be SEK 550,000, that of the other members SEK 250,000 each, that of the Chair of the Audit Committee SEK 125,000, that of the other members of the Audit Committee SEK 75,000 each, that of the Chair of the Remuneration Committee SEK 75,000 and that of the other members of the Remuneration Committee SEK 50,000 each.
- that Board members (in addition to reimbursement of travel and accommodation expenses) domiciled in Europe, but outside the Nordic region, shall receive an allowance of SEK 7,500 per in-person Board meeting. It was resolved that the same remuneration shall be paid, per trip, for travels undertaken by members of the board of directors on behalf of the company, in addition to the board work. No further per diem in addition to the above mentioned remuneration shall be paid.
- that, in accordance with the Board of Directors' proposal, to adopt a long term incentive program directed at senior executives and employees of the company, and to approve a directed issue of warrants as a consequence of the incentive program.
- to approve the Board of Director's proposal to authorize the Board of Directors, for the period until the end of the next Annual General Meeting, on one or more occasions and with or without deviation from the shareholders' preferential rights, to resolve on a new issue of shares. The authorization may be utilized for issues of shares corresponding to a maximum of 20 percent of the registered share capital of the company at the time of the issue resolution.

Extra General meeting June 11, 2025

An Extraordinary General Meeting was held on June 11. At the meeting, it was resolved to approve the Board of Directors' resolution of May 12, 2025 regarding a new issue of units entitling the holder to shares and warrants, without deviation from the shareholders' pre emptive rights.

It was further resolved to authorize the Board of Directors, for the period until the end of the next Annual General Meeting, on one or more occasions and with deviation from the shareholders' pre emptive rights, to resolve on new issues of shares and warrants. The right to subscribe for shares and warrants shall be granted to those who have entered into guarantee commitments to underwrite the rights issue announced by the company on May 12, 2025.

It was also resolved to authorize the Board of Directors, for the period until the end of the next Annual General Meeting, on one or more occasions and with deviation from the shareholders' pre emptive rights, to resolve on new issues of shares and warrants. For further information regarding the rights issue, see the press releases dated May 12, 2025, June 5, 2025, June 11, 2025, and July 4, 2025.

Finally, it was resolved to adopt a new Articles of Association, including adjustments to the share capital and the number of shares.

2026 Annual General Meeting

The 2026 Annual General Meeting of Isofol Medical AB (publ) will be held on May 19, 2026 at the Biotech Center, Arvid Wallgrens backe 20, 5th floor, Gothenburg.

Notice of the meeting is published on Isofol's

website and announced in the Swedish Official Gazette (Post-och Inrikestidningar). An advertisement stating that notice has been published is placed in Dagens Industri on the same day as the announcement.

Information on the resolutions passed at the meeting will be published on the same day as the Annual General Meeting as soon as the results of the voting have been finalized.

The minutes of the Annual General Meeting will be available on www.isofolmedical.com.

Nomination Committee

The work of the Nomination Committee is governed by the instructions resolved upon by the Annual General Meeting. The Nomination Committee's duties are to prepare and draft proposals for the election of Board members, the Chairman of the Board, the chair of the general meeting and auditors. The Nomination Committee is also responsible for recommending the fees payable to Board members and auditors. The members of the Nomination Committee are to be announced on the company's website no later than six months prior to the Annual General Meeting.

The Nomination Committee is to consist of three members. The Chairman of the Board is not to be a member of the Nomination Committee, but is co-opted to the meetings of the Nomination Committee. The three members are to be appointed by the company's three largest shareholders in terms of voting rights at the end of September, on the basis of a share register provided by Euroclear Sweden and other reliable information. An additional member of the Nomination Committee may be appointed by a minority owner representing at least 10 percent of the votes, based on the share register provided by Euroclear Sweden AB or other reliable information. The Nomination Committee is to prepare the following proposals to the Annual General Meeting:

- Chairman of the Annual General Meeting
- Election of Board members Election of auditors
- Fees payable to Board members and the Chairman of the Board
- Fees payable to auditors
- Members of the Nomination Committee and proposed instructions for the work of the Nomination Committee

When preparing its proposal to the Board, the Nomination Committee must consider the Board's evaluation of its work and take into account the requirements regarding the Board's composition as stipulated in the Swedish Companies Act, the Swedish Corporate Governance Code and Nasdaq Stockholm's Rule Book for Issuers. The Nomination Committee must also strive to ensure an even distribution of gender, age, ethnic origin and expertise, with a focus on corporate governance and experience from clinical development and commercial operations. The Nomination Committee should also take into account the requirement that the Code imposes on the size and composition of the Board, meaning that the Nomination Committee must specifically justify its proposal regarding the election of Board members, taking into account the Code's requirement concerning the diversity and breadth of the Board.

The Nomination Committee's proposal as above and its reasoned statement are to be submitted to the company no later than one week before the notice of the Annual General Meeting is announced.

The Nomination Committee for the 2026 Annual General Meeting has been elected in accordance with the applicable principles and consists of Christian Haglund, Johan Möller (chair) appointed by Hans Enocsson, Göran Gustafsson and Lars Lind (appointed by approximately 14 percent of the votes in the company).

According to the Code, the Nomination Committee, in connection with the notice of the 2026 Annual General Meeting, has to publish a reasoned statement on the company's website concerning its proposal for the election of the Board, taking into account the Code's rules on the composition of the Board, and specifically justify the proposal taking into account the requirement that the company should seek to achieve an even gender distribution, and present a brief report on how the work of the Nomination Committee was carried out. The Nomination Committee is also required to publish relevant information on the website about the individuals proposed for election and re-election, including their main experience and education, significant appointments within and outside the company, and their shareholding in the company, as well as the shareholdings of any related parties.

Auditors

An external auditor is elected by the Annual General Meeting for a period of one year at a time. The auditors audit the company's annual accounts and accounting records as well as the management by the Board and the CEO in accordance with an auditing plan adopted together with the Board or the Audit Committee. Following the audit, the auditors are required to report their findings to management as well as the Board and the Audit Committee. At least once a year, the auditors are required to report their findings directly to the Board without the presence of executive management. The auditors also attend the Annual General Meeting, at which they report on their audit and their recommendations in the auditor's report.

The auditor has audited the annual accounts for the financial year January 1, 2025 to December 31, 2025 and reviewed the interim report for the third quarter. The auditor has also stated that this Corporate Governance Report has been prepared, and that certain disclosures in it are consistent with the annual accounts. The auditor's examination is reported primarily through the audit report, but also through specific opinions on the Corporate Governance Report, the reviewed interim report and in compliance with the guidelines for remuneration to senior executives. These are presented to the Annual General Meeting. The auditors also submit reports on reviews conducted to the Audit Committee and to the Board in its entirety. The fees invoiced by the auditor for the past two financial years are presented in Note 4 to the annual accounts for 2025.

Board of directors

Overall task of the Board
The overall task of the Board is to manage the affairs of the company on behalf of the shareholders and to be responsible for the company's organization. The Board's work is led by the Chairman of the Board. The Board is required to hold a statutory meeting annually after the Annual General Meeting.

In addition, the Board has to meet regularly as well as when special needs arise. At the statutory Board meeting, the company's authorized signatories have to be decided and the Board's rules of procedure, the instructions for the CEO and the instructions for financial reporting have to be reviewed and adopted. At the company's Board meetings, the company's financial situation, business development and other current issues have to be discussed. The Board exercises supervision over the CEO, regarding the execution of the Board's decisions and other matters. The Board prepares proposals for the guidelines on the remuneration of senior executives, which are adopted by the Annual General Meeting, monitors compliance with these guidelines and, where appropriate, sub-mits proposals for incentive programs.

The company's auditor attends and reports to Board meetings when required. The Board is quorate if more than half its members are present. At the end of 2025, Isofol's Board of Directors comprised five members.

Composition and independence
According to Isofol's Articles of Association, the Board of Directors is to consist of no fewer than three and no more than nine members elected by the Annual General Meeting for the period until the end of the next Annual General Meeting.
At the Annual General Meeting held on May 21, 2025, Jan-Eric Österlund (Chairman), Alain Herrera, Helena Taflin, Lars Lind and Sten Nilsson were re-elected in accordance with the Nomination Committee's proposal until the end of the next Annual General Meeting. All members are considered independent in relation to the company and its management, as well as to the company's major shareholders.

Information on the Board members, including age, year of election to the Board, education, current appointments and shareholdings in the company, is presented on page 34.

Responsibilities and work of the Board
After the general meeting of shareholders, the Board of Directors is the company's highest decision-making body and, under the Swedish Companies Act, is responsible for the company's administration and organization. The Board's responsibilities and tasks are governed by the Swedish Companies Act, the Articles of Association and the Swedish Corporate Governance Code. The work of the Board is also governed by the written rules of procedure adopted annually by the Board. These rules of procedure govern the work of the Board as well as the distribution of work and responsibility among the Board, the committees, the Chairman of the Board and the CEO. The rules of procedure also address the number of ordinary meetings to be held and the matters to be addressed at these meetings, the form of notices, meeting and resolution processes, documentation for Board meetings, the tasks of the Chairman of the Board, minutes, disqualification and conflicts of interest, mandatory matters that the CEO is to delegate to the Board, financial reports and company signatories. The Board has also adopted instructions for the CEO and other specific policies such as a financial policy, authorization instructions and a policy on insider information. In addition to the Board meetings, the Chairman of the Board and the CEO continuously discuss matters of material importance to the company.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs, the company's overall business plan, material organizational changes, changes in the focus of the company's operations, and the income statement and balance sheet. In addition, the Board of Directors makes decisions on investments, acquisitions and divestments of significant assets, shares or businesses, loans and credits, pledging of guarantees, and the signing of or amendments to material agreements or agreements between the company and shareholders. The Board also addresses matters that have been delegated to the Board by the CEO. The Board has overall responsibility for ensuring that the company's organization is structured so as to ensure satisfactory control of its accounting, management of funds and other financial affairs and is responsible for the ongoing evaluation of the work of the CEO. The Board is also responsible for ensuring the quality of the company's financial reporting, including systems for monitoring and internal control of the company's financial reporting and position. In addition, the Board is responsible for ensuring that the company's external disclosure of information is characterized by openness and is correct, relevant and clear. The Board is also responsible for preparing necessary guidelines and other policy documents.

The Chairman of the Board leads and organizes the work of the Board and is specifically responsible for ensuring that the Board's work is well organized and conducted efficiently. The Chairman of the Board, in consultation with the company's CEO, is responsible for ensuring that an agenda for every meeting and any necessary documentation as the basis for decision are provided to the Board members in ample time prior to each Board meeting. The Chairman of the Board is also responsible for ensuring that each Board member regularly updates and improves their knowledge of the company and that new Board members receive the necessary induction training and other training that the Chairman and the new member deem suitable. The Chairman is further responsible for maintaining contact with the shareholders with respect to ownership issues, for conveying the views of the shareholders to the Board and ensuring that the work of the Board is evaluated annually through a systematic and structured process with the aim of developing the Board's working practices and methods. The results of the evaluation are reported to the company's Nomination Committee.

At each ordinary Board meeting, a review of the business is conducted, including advances and progress in research and development, clinical studies, business development, the company's results and position, financial reporting and forecasts.

Work of the Board and significant events in 2025
In 2025, the Board held 18 meetings, of which one statutory Board meeting and eight were held per capsulam. During the year, the Board's work mainly focused on and taking strategic decisions on matters related to evaluating the way forward for arfolitixorin and the company regarding the clinical program and the company´s financing.

The Board was also involved in the budget and annual financial statements and related decisions. The attendance of the Board members at the Board meetings held during the 2025

financial year is presented in the table on page 33. During the year, no member expressed a reservation about any decision. Unresolved issues are followed up on an ongoing basis. The reporting period refers to January 1 – December 31, 2025.

Evaluation of the Board's work

Under the Code, the Board has to evaluate its work annually through a systematic and structured process with the aim of developing its working practices and efficiency. The Board's work in 2025 was evaluated during the autumn 2025. The evaluation was carried out by all Board members answering questions about the Board's activities. The results of the evaluation are collated in a report that is submitted to the Board and the members of the Nomination Committee.

Board committees

The Board has established two committees from within its ranks – the Audit Committee and the Remuneration Committee – both of which operate under the instructions adopted by the Board. The Board has decided to have two committees: a Remuneration Committee and a Audit Committee.

Remuneration Committee

The main tasks of the Remuneration Committee are to prepare the Board's decisions on matters relating to remuneration principles, remuneration and other terms of employment for the CEO and other senior executives, and to monitor and evaluate variable remuneration programs for executive management that are ongoing or were completed during the year. The Remuneration Committee is also responsible for monitoring and evaluating the application of the guidelines for remuneration of senior executives adopted by the Annual General Meeting, as well as the current remuneration structures and levels in the company. The committee consists of Jan-Eric Österlund (chairman), Lars Lind and Alain Herrera. The Remuneration Committee is deemed to have met the Code's requirements for independence and the requisite knowledge and experience in matters relating to remuneration to senior executives.

The Remuneration Committee met four timesduring the year. At these meetings, the committee discussed the existing remuneration system in the company and the proposed guidelines for remuneration of the CEO and senior executives. For information on salaries and remuneration of the CEO and senior executives, see Note 3 to the 2025 annual accounts.

Audit Committee

The main tasks of the Audit Committee are to assist Isofol's Board in matters relating to financial reporting, auditing and risk management, to monitor the effectiveness of internal control, to inform itself about the audit of the annual accounts, and to review and monitor the impartiality and independence of the auditor. The Audit Committee is also required to assist the Nomination Committee in making proposals to the Annual General Meeting for the election of auditors. The committee maintains regular contact with Isofol's auditor. The members of the Audit Committee are Lars Lind (chairman) and Jan-Eric Österlund. The committee met the independence, accounting and auditing expertise requirements of the Swedish Companies Act. In total, the Committee met five times during the year. Isofol's auditors attended four of the meetings, at which the auditor's planning of the audit, findings and examination of the Board's and management's administration of the company, as well as the company's financial statements, were discussed.

BOARD ATTENDANCE IN 2025

Board member	Attendence of Board meetings	Attendence of Remuneration committee meetings	Attendence of Audit committee meeting
Jan-Eric Österlund	18 out of 18	4 out of 4	5 out of 5
Alain Herrera	18 out of 18	4 out of 4	–
Helena Taflin	17 out of 18	–	–
Lars Lind	18 out of 18	4 out of 4	5 out of 5
Sten Nilsson	18 out of 18	–	-

During 2025, the board held 18 meetings, of which one was a statutory meeting and eight were per capsulam meetings.

BOARD FEES IN 2025 (kSEK)

Board member	Board fees	Audit committee fees	Remuneration committee fees	Other remuneration*)	Total fees
Jan-Eric Österlund	550	75	75	145	845
Alain Herrera	250		50	22	322
Helena Taflin	250	-	-	-	250
Lars Lind	250	125	50	-	425
Sten Nilsson	250	-	-	-	250
Total	**1,550**	**200**	**175**	**167**	**2,092**

**) Reimbursement for in-person meeting in Sweden and Germany in accordance with resolution of the Annual General Meeting.*

In addition to the remuneration according to the above table, Jan-Eric Österlund and Lars Lind have received fees of kSEK 200 and kSEK 100 respectively for, in addition to their regular board work, advice provided in connection with the company's rights issue. For further information, see note 20.

BOARD OF DIRECTORS

Jan-Eric Österlund, MSc, Chem. Eng, MBA
Chairman of the board

Jan-Eric has worked most of his life in private equity and management buy-outs with a focus towards life science. He has been director or chairman in companies quoted on the stock exchanges in USA, Canada, Switzerland and Sweden, and in numerous private companies within life sciences, finance, pulp & paper industries and engineering. Jan-Eric is board member of Dicot AB, a life science company quoted on Nasdaq First North. He is based in England.

Elected: 2024 (previous 2023, 2012–2018)
Born: 1945
Education: MSc (Engineering), MBA

Shareholding*: 840,000 shares, 50,000 warrants series TO2

Independent in relation to the company and its management: Yes

Independent in relation to the company's major shareholders: Yes

Alain Herrera, MD, PhD
Board member

Dr Alain Herrera is an oncologist/hematologist that has contributed directly to the worldwide registration of, among others, the cytostatic oxaliplatin. Oxaliplatin in combination with fluorouracil and leucovorin constitute one of today's basic regimens, FOLFOX, in treatment of colorectal cancer. Currently Dr. Herrera operates as a Senior Consultant within the field of Oncology. Prior to this Dr. Herrera held the position of Vice President of Global Oncology Business Strategy and Development at Sanofi and before that he was Head of Global Oncology Franchise at Sanofi. Dr. Herrera has also served as Chairman of Chiron Therapeutics Europe and as Managing Director of Pierre Fabre Oncology Laboratories. Dr. Herrera is part of the Supervisory Board of, among others; IDDI, Nanobiotix, PDCline Pharma, Gustave Roussy-Transfert and Arcad Foundation.

Elected: 2024 (previous 2018-2023)
Born: 1950
Education: MD, PhD

Shareholding*: 0 shares, 0 warrants

Independent in relation to the company and its management: Yes

Independent in relation to the company's major shareholders: Yes

Helena Taflin, MD, PhD
Board member

Dr. Taflin Helena is associated professor in surgery working in the section for liver surgery at the Transplant Center at Sahlgrenska University Hospital and is also head of the Clinical Trial Unit. Helena received her PhD in 2014 in a thesis regarding folate metabolism in colorectal cancer and has continued to conduct clinical studies in this subject. She is a member of several boards, including the Swedish Surgical Association.

Elected: 2024
Born: 1973
Education: MD, PhD

Shareholding*: 327,275 shares, 0 warrants

Independent in relation to the company and its management: Yes

Independent in relation to the company's major shareholders: Yes

Lars Lind, MSc
Board member

Lars Lind founded Isofol as a representative of Yield Life AB together with Bengt Gustavsson and was its chairman until 2012. He was then a member of the board until 2018 and has since alternately been chairman or member of the nomination committee from 2020. Lars has extensive experience in business development both as a company manager, board member and investor.

Elected: 2024 (previous 2012-2018)
Born: 1941
Education: Graduate in business and economics

Shareholding*: 649,420 shares, 50,580 warrants series TO2

Independent in relation to the company and its management: Yes

Independent in relation to the company's major shareholders: Yes

Sten Nilsson, MD, PhD
Board member

Dr Sten Nilsson is a professor emeritus in oncology at Karolinska Institutet, Solna. He is a specialist in oncology and in nuclear medicine. Sten Nilsson was head of the urology cancer group at Uppsala University Hospital and at Radiumhemmet, Karolinska University Hospital, for several years and for the Oncology Clinic, Radiumhemmet, Karolinska University Hospital, from 2006 to 2008. Sten Nilsson is leading his prostate cancer research program at CancerCentrum Karolinska (CCK) and BioClinicum, Karolinska Institutet, focusing on the development of novel cancer medicines. He has previously been president of the Swedish Society of Oncology, the Swedish Association of Urological Oncology, and the Swedish Association of Nuclear Medicine. Sten Nilsson is one of the founders and main shareholders of Dextech Medical and the chairman of the Rhenman & Partners Scientific Advisory Board.

Elected: 2024
Born: 1948
Education: MD, PhD

Shareholding*: 5,853 shares, 688 warrant series TO2

Independent in relation to the company and its management: Yes

Independent in relation to the company's major shareholders: Yes

** Own or related natural or legal person's holding of shares (direct and indirect) and other financial instruments in the company. Holdings as of April 1, 2026.*

Executive management

CEO and executive management
The CEO is responsible for the company's day-to-day administration and the development of Isofol in accordance with applicable legislation and rules, including Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code and the guidelines, instructions and strategies adopted by the Board. The CEO has to ensure that the Board receives the objective and relevant information required for the Board to be able to make well-founded decisions. The CEO also monitors compliance with Isofol's goals, policies and strategic plans adopted by the Board and is responsible for informing the Board about Isofol's development between Board meetings. The CEO has to take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of funds in a satisfactory manner. The CEO is therefore responsible for ensuring that the company has sound internal control and procedures to ensure that the adopted principles for financial reporting and internal control are applied. The instructions for the CEO also apply to the Deputy CEO, if applicable, when acting on behalf of the CEO.

The CEO leads the work of the management team, which is responsible for the over-all development of the company's activities and business. At the end of 2025, the Executive Management consisted of three persons. In addition to the CEO, the management team during the year comprised:

- Chief Financial Officer (CFO)
- Chief Medical Officer (CMO)

For more information on the senior executives in Isofol, when they took up their positions and their year of birth, education, shareholding in the company and current appointments, refer to page 36.

Remuneration to executive management
Remuneration matters pertaining to senior executives are normally addressed by the Board's Remuneration Committee. The Board resolves on the CEO's remuneration based on a proposal by the Remuneration Committee.

Remuneration and terms of employment for senior executives are to be based on market terms and are to comprise a weighted combination of fixed base salary, variable remuneration, pension benefits, share-based incentive programs, other benefits, and terms and conditions of termination. Guidelines for remuneration of senior executives were approved at the Annual General Meeting held on May 19, 2022, to apply until the end of the 2026 Annual General Meeting. The Board has to be entitled to deviate from the guidelines if, in individual cases, there are special reasons to warrant doing so. If deviations from the guidelines occur, the reason for the deviation is to be presented at the next Annual General Meeting. During the year, the guidelines were followed without deviations.

For a more detailed description of the terms of employment and remuneration for the Board and senior executives, refer to the administration report and Notes 3 and 20 to the 2025 annual accounts respectively, and to the 2025 remuneration Report.

MANAGEMENT

Petter Segelman Lindqvist, MSc
Chief Executive Officer

Petter Segelman Lindqvist has a MSc in Business and Economics from the Stockholm School of Economics, Sweden, and EM Lyon, France. He has experiences from leading positions in the pharmaceutical industry, including within GlaxoSmithKline, AbbVie and Sobi (Swedish Orphan Biovitrum), as well as from board work in smaller biotech companies. He joined the company in 2024 and contributes with knowledge of strategic business development and partnerships, global commercialization, and product development. He has led several product launches and has taken drug candidates through clinical development and regulatory processes to market introduction.

Employed: 2024
Born: 1981
Education: MSc

Shareholding*: 789,311 shares,
171,444 warrants series TO2,
963,036 performance-based share rights
2025-2028

Roger Tell, MD,PhD
Chief Medical Officer

Roger Tell is responsible for medical and scientific issues at Isofol. Dr. Tell joined Isofol in 2019 as Senior Vice President of Clinical Development, Chief Scientific Officer and Chief Medical Officer. He has also been acting CEO for a period. He joined Isofol from Aprea Therapeutics, where he was Vice President of Clinical Development. Prior to Aprea, he was an International Clinical Project Director at Servier in Paris, France. He has an extensive experience as an oncologist as well as an advisor to a number of biopharma companies, including Eli Lilly, Astra Zeneca and Merck Serono. He also serves as a member of the Board of Directors of Vivesto AB, a company listed on Nasdaq Stockholm. Dr. Tell holds a medical degree and a doctorate in experimental oncology from the Karolinska Institutet in Sweden, and he completed his residency in oncology at the Karolinska University Hospital.

Employed: 2024
Born: 1965
Education: MD, PhD

Shareholding*: 80,000 shares,
20,000 warrants series TO2,
258,971 performance-based share rights
2025-2028

Margareta Hagman, MSc
Chief Financial Officer

Margareta Hagman holds an MSc in Finance from Örebro University, Sweden. She has long experience from CFO roles and other positions in both listed and unlisted companies within the pharmaceutical and biotech industry. Notably, she has mainly been the Executive Vice President and Chief Financial Officer (CFO) at BioGaia AB, but also CFO at Xbrane Biopharma AB and Ortivus AB and is a member of the Board of Directors of Infant Bacterial Therapeutics AB – all companies listed on Nasdaq Stockholm.

Employed: 2024
Born: 1966
Education: MSc

Shareholding*: 155,552 shares,
28,888 warrants series TO2,
178,773 performance-based share rights
2025-2028

** Own or related natural or legal person's holding of shares (direct and indirect) and other financial instruments in the company. Holdings as of April 1, 2026.*

Internal control and risk management

The Board's responsibility for internal control is governed by the Swedish Companies Act and the Swedish Annual Accounts Act, as well as in the Swedish Code of Corporate Governance, which contains a requirement that information about the most important aspects of Isofol's systems for internal control and risk management in connection with the company's annual financial reporting be included in the Corporate Governance Report. The Board is to ensure, among other things, that Isofol has sound internal control and formalized procedures that ensure compliance with established principles for financial reporting and internal control and that there are appropriate systems in place for monitoring and control of the company's activities and the risks associated with its operations. The internal control procedures for financial reporting have been designed to ensure reliable overall financial reporting and external reporting in accordance with IFRS, applicable laws and regulations, and other requirements to be applied by companies listed on Nasdaq Stockholm. This work involves the Board, the company management and other employees. The internal control environment mainly comprises the following components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment
The control environment within Isofol is the framework for the focus and culture communicated within the organization by the company's Board of Directors and management. The Board is ultimately responsible for the internal control of the financial reporting. The Board's instructions to the CEO and established reporting instructions stipulate how the financial reporting to the Board is to be designed. The Board has also delegated to the CEO responsibility for maintaining an effective control environment, although the Board is ultimately responsible. Systems and procedures have been established to provide management with necessary reports to be able to assess risks and meet the requirements for correct financial reporting. Isofol's internal rules of procedure, instructions, policies, guidelines and manuals guide the employees and provide a clear division of roles and responsibilities to ensure effective management of the risks affecting the business. The CEO reports regularly to the Board. Based on this effective control environment, the Board has determined that there are no special circumstances or other conditions that would warrant the introduction of an internal audit function.

Risk assessment
Isofol's Board of Directors works continuously and systematically on risk assessments in order to identify risks and to take appropriate measures. The company conducts an annual and continuous risk review in which risks are identified from a business perspective. Isofol's most important risks are followed up by the management group during the year. Each identified risk is documented with a proposed action plan to reduce the risk as much as possible. The risk assessment is also designed to identify risks that could have a material impact on the internal control of financial reporting.

Control activities
The primary purpose of control activities is to prevent, detect and correct errors in financial reporting. Activities and procedures are designed to manage and address significant risks related to financial reporting. The control activities include analytical follow-up and comparison of earnings performance or earnings items, authorization instructions, monthly account reconciliations, and principles of recognition and measurement. Access to IT systems is limited according to authorization, authority, responsibility and role. The control structure focuses on clear roles in the organization and division of responsibility. Continuous analysis of financial reporting is very important for ensuring that financial reporting is free from material misstatement.

Information and communication
Isofol's information and communication channels are designed to facilitate complete and accurate financial reporting. Policies, guidelines and internal instructions concerning financial reporting are available in electronic forms. The employees concerned are provided with regular updates regarding changes to accounting policies, reporting requirements or other information disclosures. The external information is intended to keep the market up to date on the company's operational development and ensure that Isofol meets the requirements for correct disclosure of information to the market. This is also governed by the company's established information policy.

Monitoring, evaluation and reporting
The Board continuously evaluates the information provided by the executive management. The Board receives regular financial updates on Isofol's performance between Board meetings. The company's financial position, strategies and investments, if applicable, are discussed at each Board meeting. The effectiveness of internal control is monitored on an ongoing basis by the Board, including ensuring that action is taken to address any deficiencies, as well as following up on proposed actions identified in the context of external auditing. The company conducts an annual self-assessment of its risk management and internal control of financial reporting. The process includes a review of how established procedures and guidelines are applied.

The external auditors, the company's finance function and the Audit Committee or the Board of Directors maintain regular contact throughout the financial year in order to identify any risks at an early stage and address any issues that could impact financial reporting. The auditors also report regularly to the Board.

Internal audit
To date, Isofol has not found a reason to establish a specific internal audit function in the financial area. The reason is that the company is relatively small in size, and the ongoing work on internal control of financial reporting has resulted in a high level of awareness of internal control within the company and the implementation of a number of control activities. Taking this into account, the Board has chosen not to establish a specific internal audit function. The Board evaluates the need for such a function on an annual basis.

External audit
The company's auditor is appointed by the Annual General Meeting for the period up to the end of the next Annual General Meeting. The auditor audits the annual accounts and accounting records as well as the administration of the Board and the CEO. After each financial year, the auditor has to submit an audit report to the general meeting of shareholders. Each year, the company's auditor reports the findings from the audit and the assessment of the company's internal control to the Board.

Income statement

kSEK	Note	2025 Jan-Dec	2024 Jan-Dec
OPERATING REVENUE			
Net revenue	2	-	-
Total operating revenue		**-**	**-**
OPERATING COSTS			
Other external costs	4, 5, 18	-40,163	-38,734
Personnel costs	3, 5, 20	-14,598	-8,480
Depreciation	7, 8	-	-3
Other operating costs*		-1,222	8
Total operating costs		**-55,983**	**-47,209**
Operating result		**-55,983**	**-47,209**
FINANCIAL ITEMS	**24**		
Financial revenue		1,816	3,721
Financial costs		-1	-
Total financial items		**1,815**	**3,721**
Result after financial items		**-54,168**	**-43,488**
Result before tax		**-54,168**	**-43,488**
Tax on result for the period	6	-	-
Result		**-54,168**	**-43,488**
EARNINGS PER SHARE	**23**		
Before dilution (SEK)		-0.25	-0.27
After dilution (SEK)		-0.25	-0.27

** Refers to currency effects associated with the business.*

There are no amounts to be recognized as other comprehensive income, which is why the result for the period/year corresponds to comprehensive income for the period/year.

Balance sheet

kSEK	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Fixed assets			
Intangible fixed assets			
Patents, licenses and similar rights	7	-	-
Total intangible fixed assets		**-**	**-**
Tangible fixed assets			
Equipment, tools and right-of-use assets	8	-	-
Total tangible fixed assets		-	-
Total fixed assets		**-**	**-**
Current assets			
Other receivables	9	1,416	1,806
Prepaid expenses and accrued income	10	991	454
Short-term financial investments	11, 16	85,000	-
Cash and bank balances	11, 16	41,990	96,157
Total current assets		**129,397**	**98,417**
Total assets		**129,397**	**98,417**

kSEK	Note	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES			
Equity	12, 13		
Restricted equity			
Share capital		8,607	4,945
Total restricted equity		**8,607**	**4,945**
Non-restricted equity			
Share premium reserve		1,298,684	1,218,276
Retained earnings		-1,145,251	-1,101,789
Result for the year		-54,168	-43,488
Total non-restricted equity		**99,266**	**73,000**
Total equity		**107,872**	**77,945**
Liabilities			
Provisions			
Other provisions	25	611	648
Total provisions		**611**	**648**
Current liabilities			
Accounts payable	16	2,733	2,028
Other liabilities	14	1,087	976
Accrued expenses and deferred income	15, 16	17,093	16,821
Total current liabilities		**20,914**	**19,824**
Total liabilities		**21,524**	**20,472**
Total equity and liabilities		**129,397**	**98,417**

Statement of changes in equity

	Restricted equity	Non-Restricted equity		
kSEK	**Share capital**	**Share premium reserve**	**Retained earnings**	**Totalt equity**
Opening balance, Jan 1, 2024	4,945	1,218,276	-1,101,789	121,433
Result for the period	**-**	**-**	**-43,488**	**-43,488**
Equity, Dec 31, 2024	**4,945**	**1,218,276**	**-1,145,277**	**77,945**
Opening equity, Jan 1, 2025	4,945	1,218,276	-1,145,277	77,945
Rights issue	3,461	82,681	-	86,142
Over-allotment option	201	4,799	-	5,000
Issuance cost	-	-7,072	-	-7,072
Long-term incentive program 2025	-	-	26	26
Result for the period	**-**	**-**	**-54,168**	**-54,168**
Equity, Dec 31, 2025	**8,607**	**1,298,684**	**-1,199,419**	**107,872**

Cash flow statement

kSEK	Note	2025 Jan-Dec	2024 Jan-Dec
OPERATING ACTIVITIES			
Result after financial items		-54,168	-43,488
Adjustments for non-cash items	21	-171	-255
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		**-54,340**	**-43,743**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/decrease (+) in other current receivables		1,314	186
Increase (+)/decrease (-) in other current liabilities		1,091	1,571
Change in working capital		**2,405**	**1,757**
Cash flow from operating activities		**-51,935**	**-41,986**
INVESTING ACTIVITIES			
Cash flow from investing activities		**-**	**-**
FINANCING ACTIVITIES			
New share issuance		84,069	-
Cash flow from financing activities		**84,069**	**-**
Cash flow for the period		32,135	-41,986
Cash and cash equivalents at the beginning of the period		96,157	138,148
Exchange rate difference in cash and cash equivalents		-1,301	-5
Cash and cash equivalents at the end of the period	**11**	**126,990**	**96,157**

ADDITIONAL DISCLOSURES AND NOTES TO THE FINANCIAL STATEMENTS

General information

Notes to the 2025 annual financial statements for Isofol Medical AB (publ), corporate identity number 556759-8064, with registered office in Gothenburg, Sweden, street address Arvid Wallgrens Backe 20, SE-413 46 GOTHENBURG. The company's shares have been listed on Nasdaq Stockholm since 2021. This annual report was subject to adoption by the Board of Directors on April 9, 2026.

NOTE 1 ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LEGISLATION

The annual accounts for the company have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The accounting policies applied are consistent with those used by the Company in the preparation of the 2024 annual accounts, unless otherwise stated below.

New and amended standards adopted from 2025 onward are not expected to have a significant impact on the company's financial position.

In accordance with the exception permitted in RFR 2, the company does not apply IFRS 16.

MEASUREMENT PRINCIPLES APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

Assets and liabilities are recognized at historical cost, unless otherwise stated.

AMENDED ACCOUNTING STANDARDS AS A RESULT OF NEW OR AMENDED IFRS STANDARDS

Any new or amended IFRS standards that do not come into force until coming financial years have not been applied early in preparing these financial statements. Other new or amended standards or interpretations published by the IASB are not expected to have any impact on the company's financial statements. It is uncertain what effects IFRS 18 Presentation and Disclosures in the financial statements may have for the company since RFR 2 is applied.

CLASSIFICATION, ETC.

Fixed assets and long-term liabilities essentially consist of amounts that are expected to be recovered or paid after more than 12 months from the balance sheet date. Current assets and current liabilities principally consist of amounts that are expected to be recovered or paid within 12 months from the balance sheet date.

FOREIGN CURRENCY TRANSLATION

Functional currency and reporting currency

The company's functional currency is SEK, which is also the reporting currency. Accordingly, the financial statements are presented in SEK. Unless otherwise stated, all amounts are stated and rounded to the nearest thousand (kSEK).

Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate on the balance sheet date. Exchange rate differences that arise during translation are recognized in profit or loss. Exchange gains and losses on operating receivables and liabilities are recognized in operating profit or loss, while exchange gains and losses on financial

Note 1, cont.

receivables and liabilities are recognized as financial items. Exchange gains and exchange losses are reported net.

REVENUE

Revenue is recognized at the fair value of the payment that will be received, excluding VAT, discounts and other price deductions.

The transaction price is estimated at the value that Isofol estimates will accrue to the company on commencement of the agreement, less VAT, discounts and other price deductions. The transaction price is updated on an ongoing basis if the assumptions underlying the estimate have changed. The company has not had any revenue in 2025 and 2024.

Licensing agreements

Revenue from licensing agreements is recognized based on the economic substance of the agreement. Revenue from licensing agreements may comprise one-off payments, licensing fees, royalties and milestone payments for the use of Isofol's intellectual property. Isofol may be entitled under its licensing agreements to receive reimbursement of costs incurred. Revenue recognition reflects the accrual of revenue based on the obligations performed under the specific contractual terms.

Isofol applies the revenue recognition criteria to each separately identified obligation to ensure that the economic substance of the transaction is reflected in the financial statements. As a result, the various transactions included in the agreements are broken down into distinct performance obligations, which are recognized separately. The agreements often include payment for the use of Isofol's intellectual property licensed to the counterparty and may include reimbursement of costs incurred in relation to a study. These obligations are analyzed to determine whether they constitute distinct performance obligations that should be recognized separately or whether they should be considered as one obligation.

The principles for revenue recognition for the performance obligations of licensing agreements are described below:

Execution of service assignments

Fees received for research services are recognized successively over the period to which they relate. If there is no such relationship, revenue is recognized based on the degree of completion of each project/agreement. Degree of completion is determined on the basis of time spent in relation to the estimated total time for the project/agreement or based on clauses in the contract with the customer.

Royalties

A counterparty may also compensate Isofol for the use of an intellectual property right by paying royalties on future sales of a drug based on the intellectual property right. Revenue for sales-based royalties promised in exchange for a license for intellectual property is recognized only when the subsequent sale takes place.

FINANCIAL REVENUE AND COSTS

Financial income and expenses consist of interest income on bank balances, receivables and interest-bearing securities, interest expenses on loans and liabilities, unrealized and realized gains and losses on financial assets and derivative instruments used in financial operations. Foreign exchange gains and losses on financial receivables and liabilities are reported net.

INCOME TAXES

Income taxes comprise current tax and deferred tax. Income taxes are recognized in profit or loss, except when the underlying transaction is recognized in other comprehensive income or in equity, in which case the associated tax effect is recognized in other comprehensive income or in equity. Current tax is the tax to be paid or received in respect of the current year, using the tax rates that are determined, or in practice determined, on the balance sheet date. Current tax also includes adjustments of current tax attributable to earlier periods. Management periodically evaluates claims made in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and, when deemed appropriate, makes provisions for amounts expected to be paid to the tax authorities. Deferred tax is calculated according to the balance sheet method, based on temporary differences between the carrying amount and tax bases of assets and liabilities. Deferred tax assets relating to deductible temporary differences and loss carryforwards are only recognized to the extent that it is probable they can be utilized. The value of deferred tax assets is reduced when it is no longer deemed probable that they can be utilized.

FINANCIAL INSTRUMENTS

Financial instruments recognized in the balance sheet include, on the asset side, cash and bank balances, accounts receivable, other receivables and other long-term securities holdings. The liability side includes accounts payable and other liabilities. A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms and conditions. Accounts receivable are recognized in the balance sheet when the invoice has been sent. Accounts payable are recognized when the invoice has been received.

Financial assets are derecognized from the balance sheet when the rights in the contract have been realized, expire or the company loses control of them. The same applies to parts of financial assets. Financial liabilities are derecognized from the balance sheet when the contractual obligation has been met or otherwise extinguished. The same applies to parts of financial liabilities.

FINANCIAL ASSETS

Initial recognition and measurement

The company classifies and recognizes financial assets in the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. Classification upon initial recognition depends on the nature of the financial asset's contractual cash flows and the company's business model for managing financial assets. The company initially measures a financial asset at fair value. For a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, the financial asset must give rise to cash flows consisting solely of payments of principal and interest on the outstanding amount.

This assessment is called the SPPI test and is conducted at the instrument level. The company's business model for managing financial assets refers to how the company manages its financial assets to generate cash flows. The business model determines whether cash flows result from the collection of contractual cash flows, the divestment of financial assets or both.

Note 1, cont.

Subsequent measurement
The subsequent measurement of investments in debt instruments depends on the company's business model for asset management and what kind of cash flows the asset gives rise to. The company classifies its investments in debt instruments in two measurement categories:
- Financial assets measured at amortized cost (debt instruments)
- Financial assets measured at fair value through profit or loss

Financial assets measured at amortized cost (debt instruments)
This category is the most relevant for the company recognizing financial assets at amortized cost if both of the following conditions are met:
- The business model for the financial assets is to collect contractual cash flows
- The contractual terms of the assets give rise to cash flows on specific dates consisting exclusively of payments of principal and interest on the outstanding amount

Financial assets measured at amortized cost are then measured using the effective interest method, less any provision for value depletion. The amortized cost is equal to the amount recognized on the acquisition date, less repayment of the nominal amount, plus or minus any adjustments for effective interest. Interest income for such financial assets is recognized as financial income using the effective interest method.

The company's financial assets measured at amortized cost include accounts receivable, other current receivables and cash and bank balances. Since bank balances are payable on demand, amortized cost corresponds to the nominal amount.

A loss allowance is recognized for expected losses.

Cash and cash equivalents
Cash and cash equivalents in the statement of cash flows include cash on hand, immediately available balances with banks and similar institutions, and short-term financial investments that are subject to an insignificant risk of fluctuations in value. Cash and cash equivalents are categorized as financial assets measured at amortized cost

Fair value through profit or loss
Assets that do not meet the requirements for recognition at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on debt instruments that are recognized at fair value through profit or loss and are not included in a hedging relationship are recognized net in profit or loss in the period in which the gain or loss arises.

Derecognition of financial assets from the statement of financial position
A financial asset (or, where applicable, part of a financial asset or a group of similar financial assets) is primarily derecognized from the company's statement of financial position report when:
- the contractual rights to the cash flows from the financial asset expire, or
- the company has transferred its rights to receive the cash flows from the asset or has undertaken to pay the cash flows received in their entirety without delay to a third party

FINANCIAL LIABILITIES
Initial recognition and measurement
The company classifies and recognizes its financial liabilities in the following categories: financial liabilities measured at fair value through profit or loss, loans and accounts payable.

All financial liabilities are initially recognized at fair value and, in the case of loans and accounts payable, minus any directly attributable transaction costs. The company's financial liabilities consist of accounts payable and other liabilities.

Subsequent measurement
Financial liabilities related to accounts payable and other liabilities are initially measured at fair value through profit or loss and subsequently at amortized cost using the effective interest method.

Loans
The company has no loans.

Derecognition of financial liabilities from the statement of financial position
A financial liability is derecognized from the company's statement of financial assets when the obligation for the liability is cancelled, terminated or expires.

Offsetting financial assets and liabilities
Financial assets and liabilities are offset and recognized in a net amount in the balance sheet when there is a legal right to offset and when the intention is to settle the items in a net amount or to simultaneously realize the asset and settle the liability.

ACCOUNTS PAYABLE
Accounts payable are financial instruments and represent obligations to pay for goods and services purchased from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are recognized as long-term liabilities.

Accounts payable are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

TANGIBLE FIXED ASSETS
Tangible fixed assets are recognized in the company's financial statements at cost, less accumulated depreciation and any impairment. Cost includes the purchase price and costs directly attributable to transporting the asset to the correct site and preparing it for use in the manner intended by the acquisition. Any additional expenditure is added to the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that the future financial benefits associated with the asset will accrue to the company and the cost of the asset can be reliably measured. All other repairs and maintenance are recognized as costs in profit or loss in the period in which they occur. The carrying amount of a tangible fixed asset is derecognized from the statement of financial position when it is disposed of or divested, or when no future financial benefits are expected from the use or

Note 1, cont.

disposal/divestment of the asset. Gains or losses arising from the divestment or disposal of an asset consist of the difference between the selling price and the asset's carrying amount, less direct selling expenses. Gains and losses are recognized as other operating income/expenses.

Depreciation methods
Depreciation takes place on a straight-line basis over the estimated useful life of the asset. The company applies component depreciation, which means that the components' estimated useful lives are used as a basis for depreciation. The estimated useful life of the company's equipment, tools, fixtures and fittings is five years. The residual values and useful lives of assets are assessed at each balance sheet date and adjusted if necessary.

INTANGIBLE ASSETS
Intangible assets acquired by the company consist of patents that are recognized at cost, less accumulated amortization and any impairment. Expenses for research related to new scientific or technical knowledge are recognized as an expense when they arise. The company only has expenses for research.

Depreciation methods
Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the intangible asset, unless the asset has an indeterminable useful life. Useful lives are reviewed at least annually. Intangible assets with determinable useful lives are amortized from the date when they become available for use. The estimated useful life of patents is ten years.

IMPAIRMENT
At the end of each reporting period, the company assesses whether there is any indication of a decline in value in addition to the depreciation and amortization recognized for the company's tangible and intangible assets.

Impairment of tangible and intangible assets
If there is an indication of an impairment requirement, the asset's recoverable amount is calculated. In testing for impairment, if it is not possible to determine material independent cash flows for an individual asset and the asset's fair value less selling expenses cannot be used, the assets are grouped at the lowest level at which there are separate identifiable cash flows (cash-generating units).

The recoverable amount is the higher of fair value less selling expenses and value in use. In calculating value in use, future cash flows are discounted at a discount rate that takes into account risk-free interest and risk related to the specific asset.

Impairment of financial assets
At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset or group of financial assets needs to be impaired. Objective evidence consists of observable circumstances that have occurred and that have a negative impact on the possibility to recover the cost and of a significant or protracted decline in the fair value of a financial investment classified as a financial asset available for sale.

Reversal of impairment
A previous impairment is reversed when a change has occurred in the assumptions that were used at the time of impairment to determine the asset's recoverable amount and that entails that impairment is no longer deemed to be required. Reversals of previous impairment are tested individually and recognized in profit or loss.

EMPLOYEE BENEFITS
Short-term employee benefits
Short-term employee benefits such as salaries, social security expenses, vacation pay and bonuses are expensed in the period when the employees perform their services.

Defined-contribution pension plans
The company's pension obligations are covered only by defined-contribution pension plans. Plans in which the company's obligation is limited to the contributions the company has undertaken to pay are classified as defined-contribution. In this case, the size of the employee's pension depends on the contributions the company pays into the plan or to an insurance company and the return on capital of the contributions. Consequently, the employee bears the actuarial risk (that the remuneration may be lower than expected) and the investment risk (that the assets invested will be insufficient to yield the expected remuneration). The company's obligations pertaining to defined-contribution plans are recognized as an expense in profit or loss at the rate they are vested by the employees performing services for the company over a period of time. The company thus has no additional risk.

PROVISIONS
A provision differs from other liabilities in that there is uncertainty about the payment date or the amount needed to settle the provision. A provision is recognized in the balance sheet when there is an existing legal or informal obligation as a result of an event that has occurred, it is probable that an outflow of financial resources will be required to settle the obligation, and the amount can be reliably estimated. The amount recognized as a provision corresponds to the best estimate of the expenditure required to settle the obligation. If the outflow of resources is expected to occur well into the future, the expected future cash flow is discounted and the provision is recognized at present value. The discount rate corresponds to the market rate before tax and the risks associated with the liability.

EQUITY
Equity corresponds to the paid-up capital of the shareholders, adjusted for the profit or loss of previous years, less issue costs and any dividends. Transaction costs directly attributable to the issue of new shares or warrants are recognized, net of tax, in equity as a deduction from the issue proceeds. Payments received are credited to share capital (nominal value) and other contributed capital.

DIVIDENDS
Dividends are recognized as liabilities after they have been approved by the Annual General Meeting.

Note 1, cont.

CONTINGENT LIABILITIES

A contingent liability is recognized when there is a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or more uncertain future events or when there is a commitment that is not recognized as a liability or provision because it is probable that an outflow of resources will be required.

EARNINGS PER SHARE

The calculation of earnings per share is based on the company's result for the year attributable to the company's shareholders and on the weighted average number of shares outstanding during the year.

CLASSIFICATION AND PRESENTATION FORMATS

The income statement and balance sheet are presented in accordance with the format prescribed in the Annual Accounts Act. The presentation format for the statement of changes in equity is consistent with the company's format, but must also include the columns stated in the Annual Accounts Act.

NOTE 2 OPERATING SEGMENTS

The operations consist of the development of a drug candidate, and the operations are organized as an integrated activity within the clinical development program that is expected to optimize the drug candidate's effectiveness. Accordingly, the entire company's operations constitute one operating segment. The operating segment is monitored in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the CEO. Only one segment is used in the internal reporting to the CEO.

NOTE 3 EMPLOYEES, PERSONNEL COSTS, AND REMUNERATION OF SENIOR EXECUTIVES

Expenses for employee benefits

kSEK	2025	2024
Salaries and remuneration, etc.	10,032	5,864
Social security cost	2,250	1,444
Pension cost, incl. special payroll tax	2,071	945
Total	**14,353**	**8,254**

Average number of employees

Number	2025	of whom, women	2024	of whom, women
Sweden	5.9	68%	4.3	77%

Gender distribution of the Board and executive management

	2025 Proportion of women	2024 Proportion of women
Board of Directors (%)	20	20
Other senior executives (%)	33	33

Salaries and other remuneration, pension costs and pension obligations broken down into the Board of Directors, the CEO, senior executives and other employees, and social security costs in the company

kSEK	2025 Board of Directors and senior executives	2025 Other employees	2024 Board of Directors and senior executives	2024 Other employees
Salaries and other remuneration	8,980	3,144	4,888	2,997
Other remuneration (consultancy fees)	250	-	4,338	-
(of which, bonuses, etc.)	(1,787)	(387)	(588)	(261)
Social security cost	1,974	543	1,279	423
(of which, bonuses, etc.)	(456)	(63)	(185)	(79)
Pension costs incl. special payroll tax	1,491	580	501	444
Total	**12,694**	**4,265**	**11,005**	**3,864**

Senior executives means the CEO, CFO and CMO.

REMUNERATION OF SENIOR EXECUTIVES

The Chairman and members of the Board of Directors are paid fees in accordance with a resolution of the Annual General Meeting. The Board of Directors has appointed a Remuneration Committee consisting of the Chairman of the Board, Jan-Eric Österlund, and the Board members Lars Lind and Alain Herrera. The Remuneration Committee is required to consider matters relating to the remuneration and other terms of employment of the executive management.

Principles for the remuneration of senior executives are adopted at the Annual General Meeting. The Remuneration Committee's task is to draw up proposals in accordance with these principles.

Remuneration of the CEO and other senior executives employed by the company consists of basic salary, variable remuneration and other benefits. Other senior executives means the two persons who, together with the CEO, make up the executive management.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer Petter Segelman Lindqvist, received a total salary of kSEK 2,949 during the 2025 financial year, of which a basic salary of kSEK 1,954, variable remuneration of kSEK 872 and other benefits of kSEK 123. Pension premiums for 2025 have been paid in the amount of kSEK 427. In the event of termination, there is a mutual notice period of six months. There are no severance agreements for the CEO.

OTHER SENIOR EXECUTIVES

During the financial year, salaries totaling kSEK 3,939 were paid to other senior executives, of which base salary was kSEK 2,907, variable remuneration of kSEK 915 and benefits were kSEK 117. Pension premiums for 2025 have been paid in the amount of kSEK 772. In addition to salary and remuneration, consultancy fees of kSEK 250 have been paid to other senior executives. Consultancy fees to senior management refer to fees to CMO Roger Tell during January 2025. In the event of termination, there is a mutual notice period of six months. There are no severance agreements for the CEO.

Note 3, cont.

LONG-TERM INCENTIVE PROGRAM

The 2025 annual general meeting resolved to implement a long-term incentive program in the form of performance-based share rights directed to senior executives and employees within Isofol.

In accordance with IFRS2, a fair value measurement of the share rights was performed at grant date. The cost was estimated at kSEK 209 and is recognised on a straight-line basis as an expense over a three-year period. For further information, see note 12.

Salaries and other benefits payable to the Board 2025

kSEK	Board fees	Audit committee fees	Remuneration Committee fees	Other remuneration	Total
Chairman of the Board Jan-Eric Österlund	550	75	75	145	845
Board member Alain Herrera	250	-	50	22	322
Board member Helena Taflin	250	-	-	-	250
Board member Lars Lind	250	125	50	-	425
Board member Sten Nilsson	250	-	-	-	250
Remuneration of the Board of Directors	**1,550**	**200**	**175**	**167**	**2,092**

In addition to the compensation as set out above, Chairman of the board, Jan-Eric Österlund and board member Lars Lind, have in addition to their regular work in the board performed professional advisory service in connection with the Company´s Rights issue that was finished in July. The remuneration for the advisory service was kSEK 200 to Jan-Eric Österlund and kSEK 100 to Lars Lind For more information see note 20.

Salaries and other remuneration of senior executives 2025

kSEK	Base salary	Other remuneration*	Variable remuneration	Other benefits	Pension costs	Total
Chief Executive Officer Petter Segelman Lindqvist	1,954	-	872	123	427	3,377
Other senior executives**	2,907	250	915	117	772	4,962
Total remuneration	**4,861**	**250**	**1,787**	**240**	**1,200**	**8,338**

**) Other remuneration relates to consultancy fees to the CMO for January 2025.*

***) Other senior executives refers to the CMO and CFO.*

Salaries and other benefits payable to the Board 2024

kSEK	Board fees	Audit committee fees	Remuneration Committee fees	Other remuneration	Total
Chairman of the Board Jan-Eric Österlund (January-December)	544	74	74	81	773
Board member Alain Herrera (January-December)	247	-	49	23	319
Board member Helena Taflin (January-December)	247	-	-	-	247
Board member Lars Lind (January-December)	247	123	51	-	421
Board member Sten Nilsson (January-December)	247	-	-	-	247
Chairman of the Board Mats Franzén (January 1-3)	6	-	-	-	6
Board member Annika Freij (January 1-3)	3	-	-	-	3
Board member Jonas Pedersén (January 1-3)	3	-	-	-	3
Board remuneration	**1,544**	**197**	**174**	**104**	**2,019**

Salaries and other remuneration of senior executives 2024

kSEK	Base salary	Other remuneration*	Variable remuneration	Other benefits	Pension costs	Total
Chief Executive Officer Petter Segelman Lindqvist (January-December)	1,671	-	588	121	387	2,767
Chief Executive Officer Roger Tell (January)	-	67	-	-	-	67
Other senior executives**	483	4,271	-	4	114	4,871
Total remuneration	**2,154**	**4,338**	**588**	**125**	**501**	**7,705**

**) Other remuneration relates to consultancy fees to the CMO for the full year 2024 and to the CFO during January–August.*

***) Other senior executives refers to the CMO and CFO.*

NOTE 4 FEES AND REIMBURSEMENT OF COSTS TO AUDITORS

kSEK	2025	2024
KPMG		
Audit engagement	274	313
Other services	51	-
Total	**325**	**313**

Audit engagement refers to the statutory audit of the annual accounts and the accounting records, as well as the administration of the Board and the CEO, and to audits and reviews carried out in accordance with agreements.

This includes other duties incumbent on the auditors of the company, as well as advisory services and other assistance occasioned by observations made in the course of such examinations or such other duties.

NOTE 5 RESEARCH AND DEVELOPMENT COSTS

Research and development costs, which are included in both other external costs and personnel costs, amounted to mSEK 39.9 (23.7) during the period.

NOTE 6 TAXES

Recognized in profit or loss and other comprehensive income/statement of profit and loss

kSEK	2025	2024
Current tax costs (-) / tax income (+)		
Tax costs/tax income for the year	-	-
Deferred tax costs (-) / tax income (+)		
Deferred tax attributable to temporary differences	-	-
Total recognized tax costs	**-**	**-**

Reconciliation of effective tax

kSEK	2025		2024	
Result before tax		-54,168		-43,488
Tax at applicable tax ratre	20.60%	11,159	20.60%	8,959
Non-deductible expenses	-0.2%	-129	-0.3%	-148
Non-taxable revenue	0.0%	1	0.0%	2
Other unrecorded expenses	13.1%	7,072	0.0%	-
Increase in loss carryforwards with-out corresponding capitalization of deffered tax	-33.4%	-18,103	-20.3%	-8,812
Effective tax recognized	**0%**	**-**	**0%**	**-**

Accumulated loss carryforwards as of December 31, 2025 amounted to kSEK 1,314,644 (1,253,531). These loss carryforwards have no time limit. No taxes have been recognized directly in equity or in other comprehensive income.

NOTE 7 INTANGIBLE FIXED ASSETS

kSEK	Acquired intangible assets and patents 2025	2024
COST		
Opening balance	993	993
Closing balance	**993**	**993**

kSEK	2025	2024
ACCUMULATED AMORTIZATION		
Opening balance	-993	-993
Amortization for the year	-	-
Clsoing balance	**-993**	**-993**
Closing balance of acquired intangible assets and patents	**-**	**-**

NOTE 8 TANGIBLE FIXED ASSETS

kSEK	Equipment and tools 2025	2024
COST		
Opening balance	70	70
Closing balance	**70**	**70**
ACCUMULATED AMORTIZATION		
Opening balance	-70	-67
Amortization for the year	-	-3
Clsoing balance	**-70**	**-70**
Closing balance equipment and tools	**-**	**-**

NOTE 9 OTHER RECEIVABLES

kSEK	Dec 31, 2025	Dec 31, 2024
VAT receivable	1,107	1,514
Other receivables	309	292
Total	**1,416**	**1,806**

NOTE 10 PREPAID EXPENSES AND ACCRUED INCOME

kSEK	Dec 31, 2025	Dec 31, 2024
Rent	159	30
Clinical studies	70	88
Other	762	336
Total	**991**	**454**

NOTE 11 CASH AND CASH EQUIVALENTS

kSEK	Dec 31, 2025	Dec 31, 2024
The following sub-items are included in Cash and cash equivalents:		
Short-term financial investments	85,000	-
Cash and bank balances	41,990	96,157
Total according to balance sheet	**126,990**	**96,157**

NOTE 12 EQUITY

Types of shares Number of shares	2025	2024
ORDINARY SHARES		
Issued as of January 1	161,515,440	161,515,440
Rights issue	107,676,960	-
Over-allotment issue	11,914,824	-
Issued as of December 31	**281,107,224**	**161,515,440**

As of December 31, 2025, the registered share capital comprised 281,107,224 ordinary shares (161,515,440) with a quota value of SEK 0.0306 (0.0306). Holders of ordinary shares are entitled to dividends to be determined over time, and the shareholding entitles the holder to vote at the Annual General Meeting with one vote per share. All shares have the same right to the company's remaining net assets. Non-restricted equity in the company is the amount available for distribution to shareholders. For Isofol, unrestricted equity in the company consists of retained earnings and share premium reserve. The share premium reserve consists of amounts contributed by the owners in excess of the quota value of the issued shares, less any issue expenses.

LONG-TERM INCENTIVE PROGRAM 2025

The 2025 annual general meeting resolved to implement a long-term incentive program in the form of performance-based share rights directed to senior executives and employees within Isofol. The motives behind the incentive program are, among other things, to align employee interests with shareholders in creating long-term value, to contribute to higher motivation and commitment among the employees and strengthen the ties between the employees and the company.

Within the scope of the program, the board of directors has allocated rights to participants free of charge, entailing the right to, provided that certain targets are met, receive performance shares. The vesting of the rights takes place over a period of three years calculated from the date of allocation of the rights.

The total number of share rights amounts to 2,298,154 (after recalculation due to rights issue). Employees have subscribed to 1,750,975 of these share rights, while 547,179 are reserved by the company for hedging social security costs. The start of the program was set at August 15, 2025, with a vesting period of three years.

NOTE 13 APPROPRIATION OF PROFIT

ROPOSED APPROPRIATION OF THE COMPANY'S PROFIT

The Board of Directors proposes that the non-restricted equity, SEK 99,265,536, be appropriated as follows:

To be carried forward	99,265,536
Total	**99,265,536**

NOTE 14 OTHER LIABILITIES

kSEK	Dec 31, 2025	Dec 31, 2024
Personnel-related liabilities	1,087	976
Total other current liabilities	**1,087**	**976**

NOTE 15 ACCRUED EXPENSES AND DEFERRED INCOME

kSEK	Dec 31, 2025	Dec 31, 2024
Vacation pay	871	425
Accrued salaries	2,187	1,103
Clinical studies	12,734	13,708
Other	1,302	1,585
Total	**17,093**	**16,821**

NOTE 16 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets measured at amortized cost

kSEK	Dec 31, 2025	Dec 31, 2024
Accounts receivable	-	-
Short-term financial investments	85,000	-
Cash and bank balances	41,990	96,157
Total	**126,990**	**96,157**

Note 16, cont.

Financial liabilities measured at amortized cost

kSEK	Dec 31, 2025	Dec 31, 2024
Accounts payable	2,733	2,028
Accrued expenses	14,036	15,292
Total	**16,769**	**17,320**

Maturity structure of financial liabilities

kSEK	Dec 31, 2025		Dec 31, 2024	
Financial liabilities mature:	**Within 3 months**	**After 3 months**	**Within 3 months**	**After 3 months**
Accounts payable	2,733	-	2,028	-
Accrued expenses	14,036	-	8,321	6,972
Total	**16,769**	**-**	**10,349**	**6,972**

Classification and fair value

kSEK	Dec 31, 2025		Dec 31, 2024	
	Measured at fair value through profit or loss	**Financial assets and liabilities measured at amortized cost**	**Measured at fair value through profit or loss**	**Financial assets and liabilities measured at amortized cost**
FINANCIAL ASSETS				
Short-term financial investments	-	85,000	-	-
Bank and cash equialents	-	41,990	-	96,157
FINANCIAL LIABILITIES				
Accounts payable	-	2,733	-	2,028
Accrued expenses	-	14,036	-	15,292

NOTE 17 FINANCIAL RISKS AND RISK MANAGEMENT

The company is exposed to various forms of financial risks through its activities. Financial risks refer to fluctuations in the company's result and cash flow as a result of changes in exchange rates, interest rates and refinancing and credit risks.

The company's overall risk management focuses on safeguarding its ability to conduct its research and development and related clinical studies, and this means that the company seeks to minimize potential adverse effects on the company's financial performance and position.

The company's financial transactions and risks are managed by the CEO and CFO. The Board establishes guidelines and principles for overall risk management and for specific areas, such as refinancing risk, liquidity risk, interest rate risk, currency risk and credit risk.

CAPITAL MANAGEMENT

Since the start of its operations, Isofol has recognized a negative operating result, and its cash flow is mainly expected to remain negative until Isofol succeeds in generating revenue from a launched product or receives revenue from licensing of intellectual property. The company may also continue to require capital to complete the necessary studies prior to the commercialization of the drug candidate.

FINANCIAL POLICY

Isofol has a policy for its financial activities, the financial policy, which defines financial risks and specifies how the company is to manage these risks.

REFINANCING RISK

Refinancing risk refers to the risk that cash and cash equivalents may not be available and that financing can only be obtained partially, not at all or at an increased cost. At present, the company's activities are fully financed with equity and are not, therefore, exposed to risks related to external loan financing. The primary risks thus relate to the risk of not receiving additional contributions and investments from the shareholders when needed. The issuing of equity instruments is the primary source of the company's financing and the predominant source for planned studies.

LIQUIDITY RISK

Liquidity risk is the risk that the company will encounter difficulties in meeting its obligations related to financial liabilities. The company manages liquidity risk by continuously monitoring cash flow and establishing liquidity planning to ensure that funds are available for planned activities, thereby reducing liquidity risk and ensuring its ability to pay. The Board and management engage in long-term work with shareholders and independent investors to ensure that liquidity is available to the company when needed.

INTEREST RATE RISK

Isofol's exposure to market risks from changes in interest rates relates to bank balances. The company's financial policy stipulates that any excess liquidity is to be invested in securities where the market and interest rate risk is low, and the company's exposure to interest rate risk has thus been limited.

CURRENCY RISK

Currency risk is the risk of fluctuations in the value of a financial instrument due to changes in exchange rates. This risk is related to changes in expected and contractual payment flows (transaction exposure), translation of liabilities in foreign currencies (translation exposure) and financial exposure in the form of currency risks in payment flows for investments. The company is affected by fluctuations in exchange rates, and the company's goal is to minimize the impact of these changes where possible with respect to practicality and cost effectiveness. Changes in EUR and USD have the most significant impact. The average exchange rate for EUR/SEK in 2025 was SEK 11.07 (11.43) and for USD/SEK 9.82 (10.56). A change in the average exchange rate for EUR and USD by +/-10 percent would, with all other variables held constant, have affected the company's profit before tax by MSEK +/-1.2 and MSEK +/-0.4 respectively in 2025.

Note 17, cont.

CREDIT RISK

Credit risk is the risk that the company's counterparty in a financial instrument cannot fulfill its obligations, thus causing the company a financial loss. The company's exposure to credit risk is limited.

NOTE 18 LEASES

The company rents office premises in Gothenburg. The current lease for the office premises expires on December 31, 2026 with three months' notice. There are no other material rental agreements or leases.

Expensed lease payments amount to the following:

kSEK	2025	2024
Lease payments	804	693
Total lease expenses	**804**	**693**

Future non-cancelable lease payments fall due as follows:

kSEK	Dec 31, 2025	Dec 31, 2024
Within 1 year	628	168
Between 1 and 5 years	-	-
After 5 years	-	-
Total lease expenses	**628**	**168**

NOTE 19 PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

kSEK	Dec 31, 2025	Dec 31, 2024
Pedged assets	none	none
Contingent liabilities	none	none

NOTE 20 RELATED PARTIES

Related parties are the senior executives of the company, i.e. the Board of Directors and the executive management, and their family members. During the year, remuneration of senior executives was paid in accordance with applicable policies and guidelines. For information on the remuneration of each key individual in a management position, see Note 3. Transactions with related parties are priced and are made on market terms.

In 2025, Chairman of the Board Jan-Eric Österlund and Board member Lars Lind, in addition to ordinary Board work, have provided advice in connection with the company's rights issue that was carried out in July 2025. The fee for the advice was kSEK 200 to Jan-Eric Österlund and kSEK 100 to Lars Lind.

The company's CMO, Roger Tell, received a consulting fee of kSEK 250 in January 2025 before returning to a permanent position in the company in February 2025.

NOTE 21 SPECIFICATIONS RELATED TO THE CASH FLOW STATEMENT

Cash and cash equivalents

kSEK	Dec 31, 2025	Dec 31, 2024
THE FOLLOWING SUB-ITEMS ARE INCLUDED IN CASH AND BANK BALANCES:		
Cash and bank balances	41,990	96,157
Short-term investments, equal to cash and cash equivalents	85,000	-
Total according to balance sheet	**126,990**	**96,157**

Interest and dividends

kSEK	2025	2024
Interest received	1,816	3,721
Interest paid	-1	-

Adjustment for non-cash items

kSEK	2025	2024
Depreciation	-	3
Exchange rate gain/loss	1,301	5
Provisions	-38	-262
Other	-1,435	-
Total	**-171**	**-255**

NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE

- On 24 February 2026, the company provided an update from the ongoing clinical phase Ib/II study of arfolitixorin. All patients evaluated in the study to date have responded to the treatment and shown tumor shrinkage without dose-limiting toxicities, and half of them were assessed during treatment as candidates for tumor surgery.
- On March 18, 2026, the company announced that its global exclusive license agreement has expanded for arfolitixorin to also include development and commercialization within autism spectrum disorder.
- On March 31, 2026, the company announced that the exercise period for warrants of series TO1 ended on March 30, 2026. The outcome shows a subscription rate of approximately 93.57 percent. As the warrants were not exercised in full, the top guarantee commitment has been utilized corresponding to 5.23 percent of the outstanding warrants. Through the exercise of the warrants of series TO1 and guarantee commitments, Isofol will receive approximately mSEK 18.9 before issue costs.

NOTE 23 EARNINGS PER SHARE

Calculations have been made in accordance with IAS 33 Earnings Per Share. Earnings per share are based on the company's result for the year divided by the weighted average number of shares outstanding during the year. The weighted average number of shares during the period amounted to 217,215,723 (161,515,440).

NOTE 24 FINANCIAL ITEMS

kSEK	2025	2024
FINANCIAL INCOME		
Other interest income	1,816	3,721
Total financial income	**1,816**	**3,721**
FINANCIAL COSTS		
Other interest expenses	-1	-
Total financial expenses	**-1**	**-**

NOT 25 PROVISIONS

In 2022, Isofol entered into an agreement with a supplier to purchase packaging material for possible future sales of arfolitixorin. The use of the material is subject to approval for commercialization of arfolitixorin. The agreement includes a financial guarantee amounting to EUR 75,963, for which Isofol undertakes to bear the cost in the corresponding amount. In the first quarter of 2024, the provision was adjusted, as part of the material has been disposed of and the cost of EUR 20,527 has been settled against the provision. In view of the outcome of the study, the management considers it likely that the financial guarantee will be called. After adjustment, kSEK 611, corresponding to the present value of EUR 55,436, has been recognized as a provision in the company's balance sheet. The cost of the provision was recognized in the company's income statement in 2022. The timing of the remainder of the outflow is still uncertain, but it is estimated to be settled within a five-year period.

NOTE 26 KEY FIGURES AND DEFINITIONS

kSEK	Dec 31, 2025	Dec 31, 2024
Equity	107,872	77,945
Total assets	129,397	98,417
Equity ratio	**83.4%**	**79.2%**
Cash and cash equivalents	126,990	96,157
Working capital	108,483	78,593

Equity ratio
Equity ratio is calculated by comparing equity with total assets and is thus a measure of the proportion of assets that are financed with equity.

Equity
Equity consists of share capital, share premium reserve and retained earnings, including the company's result for the year.

Cash and cash equivalents
Cash and bank balances and immediately available bank balances.

Working capital
Working capital consists of the company's current assets less current liabilities.

Earnings per share
The result for the period divided by the weighted average number of shares during the period, before and after dilution.

Certification

The Board of Directors and the CEO verify that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of July 19, 2002 of the European Parliament and of the Council on the application of international accounting standards. The annual accounts give a true and fair view of the company's position and results. The Directors' Report gives a true and fair view of the development of the company's business, position and performance, and describes the material risks and uncertainties.

As stated above, the annual accounts were approved for issue by the Board and the CEO on April 9, 2026. The company's profit and loss account and balance sheet will be subject to adoption by the Annual General Meeting on May 19, 2026.

Gothenburg, April 9, 2026

Jan-Eric Österlund
Chairman

Lars Lind
Board member

Sten Nilsson
Board member

Helena Taflin
Board member

Alain Herrera
Board member

Petter Segelman Lindqvist
Chief Executive Officer

Our audit report has been submitted
Gothenburg, April 9, 2026
KPMG AB

Daniel Haglund
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Isofol Medical AB (publ), corp. id 556759-8064

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of Isofol Medical AB (publ) for the year 2025, except for the corporate governance statement on pages 29-37. The annual accounts of the company are included on pages 25-53 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Isofol Medical AB (publ) as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 29-37. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Our opinions in this report on the the annual accounts are consistent with the content of the additional report that has been submitted to the audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Isofol Medical AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters.

Operating Expenses

See the accounting principles on pages 42 to 45 in the annual account for detailed information and description of the matter.

Description of key audit matter

The company's operational expenses amounted to 56 million SEK during the fiscal year 2025. The majority of these costs relate to the development of the company's leading product, Arfolitixorin, and primarily consist of expenses for material, contracted and in-house personnel. In our audit, we have focused on these costs as they represent a significant amount and there is a risk concerning the accuracy, completeness, and timing of these expenditures.

Response in the audit

Our review of the company's expenses related to the study has, among other things, included an examination of the company's processes and routines, identification of controls, and an understanding of the company's operational monitoring and internal control.

We have substantively tested the expense items, including accrued expenses, accounts payable and provisions attributable to the study. This was carried out through sample-based detailed testing against invoice documentation, contracts and other financial statement documentation.

For personnel-related costs, we have conducted an analytical review of salaries. Our cost analysis is based both on historical data and our knowledge of the business, as well as follow-up against internal reports. We have also assessed the disclosures regarding expenses provided in the annual report.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1-23 and 57-60. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, 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.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Rea-

sonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Isofol Medical AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Isofol Medical AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 29-37 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 11908, 404 39, Göteborg, was appointed auditor of Isofol Medical AB (publ) by the general meeting of the shareholders on May 8, 2025. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2016.

Göteborg, April 9, 2026
KPMG AB

Daniel Haglund
Authorized Public Accountant

Financial calendar

Isofol intends to publish financial reports and hold meetings according to the following schedule:

Interim report Jan – Mar 2026	May 19, 2026
Annual General Meeting 2026	May 19, 2026, Gothenburg
Interim report Jan – Jun 2026	August 25, 2026
Interim report Jan – Sep 2026	November 12, 2026
Year-end report 2026	February 12, 2027

The interim reports are published on the company's website, and updates about upcoming events take place continuously at the company's website www.isofolmedical.com.

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