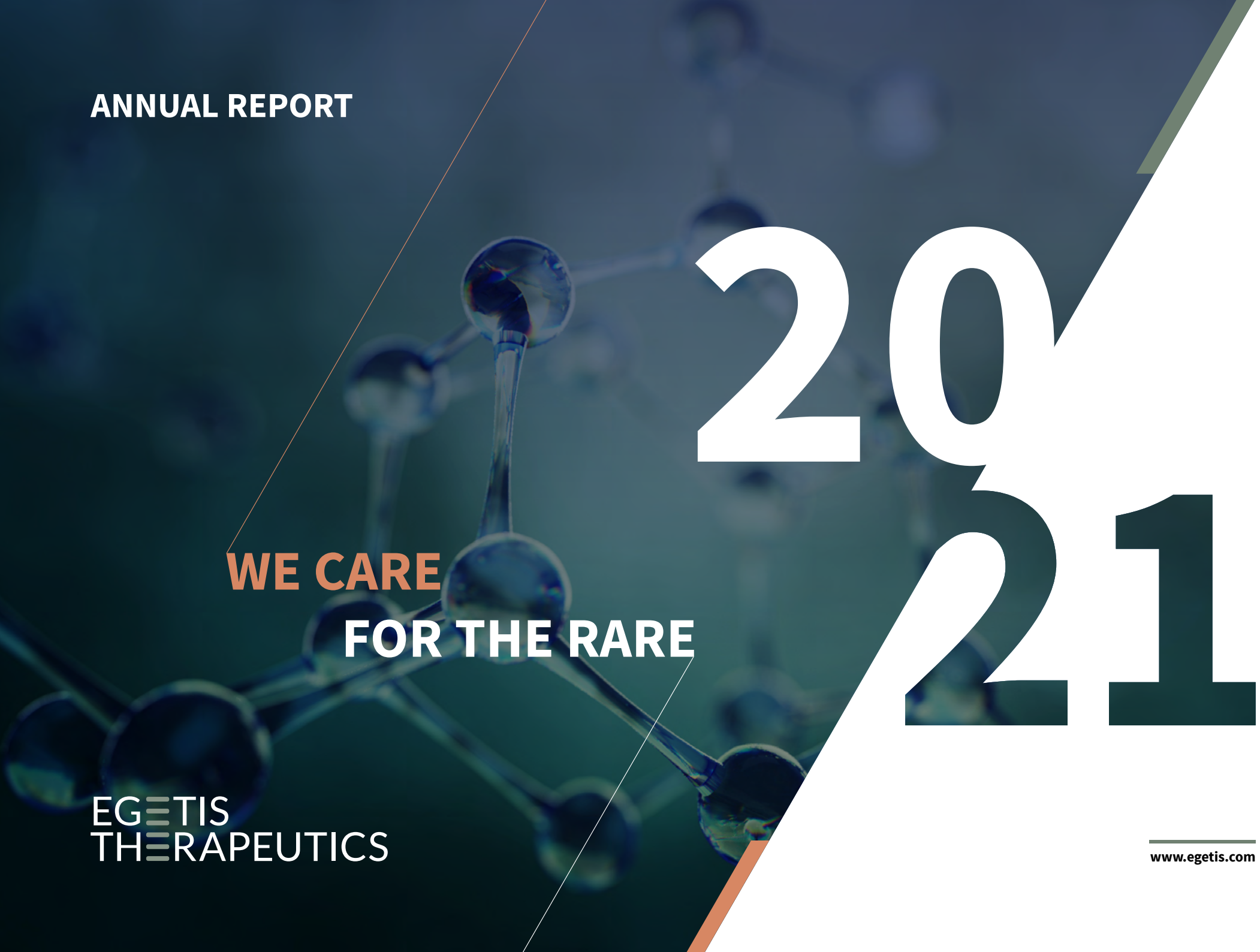

ANNUAL REPORT

WE CARE FOR THE RARE

2021

EGETIS THERAPEUTICS

www.egetis.com

CONTENTS

This Annual Report in English is a translation from the original Swedish version. In case of any inconsistencies the Swedish language version shall prevail.

Egetis Therapeutics AB

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Egetis Therapeutics has its head office in Stockholm, Sweden and is listed on Nasdaq OMX Stockholm (STO: EGTX).

A NEW, SPECIALIZED PHARMACEUTICAL COMPANY WITH FOCUS ON LATE-PHASE DEVELOPMENT AND COMMERCIALIZATION OF ORPHAN DRUGS

Egetis is an innovative and integrated pharmaceutical company, focusing on projects in late-stage development for commercialization of orphan drugs to treat serious and rare diseases with significant unmet medical needs.

The Company has two ongoing projects in late clinical development, **Emcitate** and **Aladote**.

Emcitate

The drug candidate *Emcitate®* is being developed as the first potential treatment for patients with MCT8 deficiency, a rare disease with high unmet medical need and no available treatment. A Phase IIb clinical trial (Triac Trial I) and a cohort study have been carried out with significant, clinically relevant treatment results on serum T3 levels and clinically relevant secondary efficacy endpoints. Based on the favorable discussions with the EMA, Egetis intends to submit an application for market approval (MAA) for *Emcitate* to the European Medicines Agency (EMA) during the first half of 2023, based on the existing clinical data. Based on its discussions with the FDA, Egetis will be conducting a small, randomized placebo-controlled trial on 16 patients to verify the results on T3 levels from prior clinical trials and publications. Egetis intends to submit a New Drug Application (NDA) for market approval of *Emcitate* to the FDA in mid-2023, which will have Fast Track Designation. Triac Trial II is an ongoing trial on very young patients with MCT8 deficiency (<30 months old) to investigate the neurocognitive effects of early intervention with *Emcitate*. The results are expected during the first quarter of 2024. *Emcitate* has Orphan Drug Designation (ODD) in the USA and EU for MCT8 deficiency and in the USA, also for Resistance to Thyroid Hormone type beta (RTH-β). Egetis has received a positive opinion from EMA concerning ODD for RTH-β and expects that the ODD will be granted by the European Commission. In the USA, *Emcitate* was also granted Rare Pediatric Disease status, which will enable Egetis to apply for a Priority Review Voucher (PRV), after approval.

Aladote

The drug candidate Aladote is developed to reduce the risk of acute liver injury associated with paracetamol poisoning. A Proof of Principle study has been successfully completed and the design of the upcoming pivotal, Phase IIb/III, study for Aladote has been finalized following discussions with the FDA, EMA and MHRA. Aladote has been granted Orphan Drug Designation in the US and an application for ODD was submitted in Europe during first quarter 2021. Egetis has an dialog ongoing with the EMA about the appropriate scope of the indication for ODD in the EU. The COVID-19 pandemic is still making it very challenging to start a clinical study in an emergency/intensive care setting. Therefore, pending how the situation evolves, the Company expects that the study will get underway sometime during 2022.

During the second quarter of 2021, the Company decided to park the development of PledOx following the POLAR results. Our partner Solasia Pharma K.K. will continue the pre-clinical program in taxane induced peripheral neuropathy.

STATUS OF EGETIS THERAPEUTICS' ONGOING PROJECTS

Project	Pre-clinical phase	Phase I	Phase II/III	MAA/NDA application	Comments
Emcitate EU MCT8 deficiency				**H1 2023**	• All clinical data available
Emcitate US MCT8 deficiency				**Mid-2023**	• Randomized study with 16 patients, 30 days, starting in 2022
Emcitate MCT8 deficiency			**Triac Trial II**		• Data Q1 2024; Post Approval Study • Neurocognitive efficacy endpoints
Emcitate RTH-β					• Received ODD from the FDA and EMA in Q1 2022 • Development plan under evaluation
Aladote Paracetamol poisoning					• Start of pivotal study 2022, depending on COVID-19 situation

SUMMARY OF THE YEAR'S EVENTS

THE YEAR IN BRIEF

Launch of new initiatives

Egetis launches new initiatives to raise awareness and shorten the time to diagnosis of MCT8 deficiency.

Fast Track Designation

Egetis received Fast Track Designation by the US Food and Drug Administration (FDA) for Emcitate for the treatment of MCT8 deficiency.

Publication of long-term data

New, published long-term data (up to six years), confirming the efficacy and safety of Emcitate for treatment of patients with MCT8 deficiency.

European Medicines Agency

Egetis is planning to apply to the European Medicines Agency (EMA) for market approval of Emcitate based on the existing clinical data. Having all clinical data required for regulatory submission already at hand significantly reduces the remaining risk for Emcitate.

OTHER EVENTS DURING THE PAST YEAR

2021

Q1

Aladote

- Application for Orphan Drug Designation (ODD) submitted to the European Medicines Agency (EMA).
- Aladote was presented at the annual meeting of the Society of Toxicology (SOT) on March 16 under the heading Novel Emerging Treatments for Acetaminophen Toxicity.

Q2

Aladote

- Aladote was presented as a potential new treatment for paracetamol poisoning at the annual meeting of the American College of Medical Toxicology (ACMT) on April 14, under the heading Antidote Updates.

New talent

- Kristina Sjöblom Nygren was appointed Chief Medical Officer (CMO) and Yilmaz Mahshid as the new Chief Financial Officer (CFO).
- Thomas Lönngren (Chairman) and Mats Blom were elected as new members of the Board of Directors at the AGM April 29.

Q3

Emcitate

- Egetis received approval in Turkey for a compassionate use program of Emcitate for treatment of MCT8 deficiency.

Q4

Emcitate

- Continued interest from physicians across the globe to use Emcitate for patients that suffer from MCT8 deficiency with more than 140 patients in more than 25 countries are being treated with Emcitate on a named patient or compassionate use basis.

Aladote

- Preparations for the pivotal Phase IIb/III study with Aladote are progressing, with the goal of starting in 2022, depending on the COVID-19 situation.
- Received Notice of Allowance for a new patent in the USA for a combination therapy of Aladote and N-acetylcysteine (NAC).

Egetis - other events in 2021

- The Company decided to park further PledOx development following the POLAR results. The Company's partner Solasia Pharma K.K. will continue the pre-clinical program with PledOx in taxane induced peripheral neuropathy.

Significant events after year-end

- Favorable interactions with the regulatory agencies have clarified the steps that lie ahead for Emcitate to obtain regulatory approval.
- Plans are to apply for market approval (MAA) in the EU for Emcitate during the first half of 2023.
- Plans are to apply for market approval (NDA) in the USA for Emcitate in mid-2023, which will have Fast Track Designation (already granted by the FDA).
- The FDA has stated that treatment effect at T3 levels and chronic thyrotoxicosis in patients suffering from MCT8 deficiency could serve as a basis for market approval of Emcitate.
- For the application for market approval in the USA, a 30-day randomized placebo-controlled trial of 16 patients will be conducted to verify the results at T3 levels that were observed in previous clinical trials and publications.
- The results from discussions with the regulatory authority increase the likelihood of success for Emcitate and obtaining a Rare Pediatric Disease Priority Review Voucher (PRV) in the USA.
- Received Notice of Intent to Grant for a new European patent for a combination therapy with Aladote and N-acetylcysteine.
- Egetis secures conditional acceptance for Emcitate® as brand name in the US.
- Received ODD for Emcitate for RTH-β in the USA and a positive opinion from the EMA about ODD in the EU.
- The extraordinary general meeting of shareholders on April 13, 2022 resolved to approve a fully guaranteed preferential rights issue of SEK 180 million.

Financial overview January-December 2021

- Net revenue of SEK 38.5 (40.7) million
- Loss for the period SEK -104.5 (-178.0) million
- Cash and cash equivalents at the end of the period SEK 144.0 (287.9) million
- Cash flow for the period SEK -145.0 (34.2) million
- Loss per share before/after dilution SEK -0.6 (-2.6)

	2021 (Jan-Dec)	2020 (Jan-Dec)
Profit (loss) for the year, SEK thousand	-104,542	-178,024
Cash flow for the year, SEK thousand	-144,969	34,223
Cash and cash equivalents, SEK thousand	143,965	287,850
Equity ratio	93%	88%
EPS on weighted average number of shares outstanding, SEK	-0.6	-2.6
Average number of employees	11	9

CEO'S COMMENTS

Last year was a transformative busy year for Egetis, in which we achieved important milestones in our exciting Emcitate program. I'm proud of our progress to become a nimble and highly experienced rare disease company, well positioned for the future.

Fast Track Designation granted for Emcitate

In early October, the U.S. Food and Drug Administration (FDA) granted Emcitate Fast Track Designation for the treatment of MCT8 deficiency. This designation is an acknowledgement from the FDA of the importance of Emcitate to address the significant unmet medical need for patients from this devastating disease. With a Fast Track Designation comes opportunities to expedite both the new drug application (NDA) submission and FDA's review which could enable an earlier regulatory approval of Emcitate.

New data confirms long-term efficacy and safety of Emcitate in MCT8 deficiency patients

In October, an investigator-initiated real-life cohort study at 33 sites conducted by the Erasmus Medical Center, Rotterdam, The Netherlands reported long-term treatment effects in 67 subjects, up to 6 years, with Emcitate. The study was published in the Journal of Clinical Endocrinology & Metabolism.

This long-term data confirms the positive results from the previous Triac Trial I and verifies that the beneficial effects are maintained over time, up to six years. The consistent efficacy seen across several key clinical and biochemical parameters regardless of age, further supports the use of Emcitate in the treatment of MCT8 deficiency.

Fruitful interactions with regulatory agencies de-risk the Emcitate program

Based on the new long-term data, we had further positive interactions with the regulatory agencies in the US and Europe. In December, the European Medicines Agency (EMA) concluded that the clinical data from the Triac Trial I, together with the published data from long-term treatment will suffice for a regulatory submission of a Marketing Authorisation Application (MAA) to the EMA for the treatment of MCT8 deficiency. We plan to submit the MAA in the first half of 2023. Having all clinical data required for regulatory submission in EU already at hand significantly reduces the remaining risk for Emcitate.

After the period, in January 2022, we announced our intention to submit the NDA in the US for Emcitate in mid-2023 under the Fast Track Designation granted by the FDA. This followed recent positive regulatory interactions, in which the FDA acknowledges that treatment effects on T3 levels and the decrease in chronic thyrotoxicosis in MCT8 deficiency could provide a basis for marketing approval in the US.

We have agreed with the FDA to perform a small, randomized study in 16 patients for up to 30 days to verify our T3 results, seen in previous clinical trials and publications. It is well-established that the T3 levels in untreated MCT8 patients are significantly elevated, and we have previously shown that Emcitate is able to rapidly and durably normalize these levels. The primary source of patients for this study will be through our existing named patient program.

The outcome of these regulatory interactions has created a major step towards marketing applications in EU and the US, making Emcitate available to patients who suffer from MCT8 deficiency, increasing the likelihood of success for Emcitate and the probability for Egetis to receive a US Rare Pediatric Disease Priority Review Voucher (PRV).

Triac Trial II

The ongoing Triac Trial II remains important to further establish the effects of early intervention on the neurocognitive development aspects of the disease, previously seen in young patients in the Triac Trial I. Patients continue to enter the study despite the challenging COVID-19 situation. Results from the Triac Trial II are expected in the first quarter of 2024 and is expected to be submitted post-approval to regulatory authorities shortly thereafter.

Emcitate supplied on compassionate use and named patient basis

Parallel to our clinical program with Emcitate, there is a continued interest from physicians across the globe to use Emcitate for patients that suffer from MCT8 deficiency.

More than 140 patients in more than 25 countries are being treated with Emcitate on a named patient or compassionate use basis demonstrating the significant unmet medical need in this patient population and verifies the interest to treat patients that suffer from MCT8 deficiency.

Launch of campaign to raise awareness of MCT8 deficiency

We are committed to help transforming and extending the lives of patients with rare diseases such as MCT8 deficiency. One important pillar is raising disease awareness, and in September we launched an awareness campaign, including the website www.mct8deficiency.com. In addition to other disease educational activities, e.g., at scientific and medical conferences targeting health care professionals, the website will be used for educational purposes through the expanding network of key opinion leaders, physicians and patient advocacy groups focused on MCT8 deficiency.

These activities aim to shorten the time to diagnosis of MCT8 deficiency and enable earlier treatment, to help relieve the heavy burden of disease that MCT8 deficiency places on the affected individuals, their families and the caregivers they are heavily dependent on.

Preparations for the Aladote pivotal Phase IIb/III study are ongoing

Preparations for the planned Phase IIb/III study with Aladote are ongoing. The COVID-19 pandemic is still making it challenging to start a clinical study in an emergency/intensive care setting. Therefore, pending how the situation evolves, we expect study start will likely take place later this year.

We remain committed to the continued development of Aladote, which has the potential to be the first approved drug to benefit patients with an increased risk of liver injury, who are not adequately treated with standard of care N-acetylcysteine (NAC) after a paracetamol overdose. Aladote has been granted ODD in the US and we have an ongoing dialogue with EMA on the appropriate indication for an ODD in the EU.

In December 2021 and January 2022, we received Notices of Intent to Grant for new patents in the US and Europe, respectively. These patents further strengthen our robust calmangafodipir patent portfolio that includes a composition-of-matter patent with protection until year 2032 in US and EU.

Organization

In 2021, we have significantly strengthened our organization with the hiring of Dr Kristina Sjöblom Nygren as new CMO, and of Dr Yilmaz Mahshid as new CFO. We plan more key recruitments in 2022 as we continue to grow and add competence to the Company.

In 2021, Dr Thomas Lönngren (Chairman) and Mats Blom joined our board of directors.

Cash position

We reported a cash position of approximately 144 million SEK on December 31, 2021.

COVID-19

We are still being affected by the ongoing COVID-19 pandemic. We continue to carefully monitor this development and take every precaution to ensure that patients, healthcare staff, our organization and those working on our trials are safe and well, and that our operations continue according to plan.

Looking ahead

Our pipeline focus to provide treatment for patients suffering from rare and serious diseases remains firm as we shape the future of Egetis.

We plan to commercialize Emcitate in the US and Europe ourselves and will stepwise initiate the establishment of a small and focused organization in 2022 and 2023, to ensure the successful commercialization. Given the ultra-rare disease setting and uniqueness of Emcitate we plan for a commercial team of less than 50 FTEs at the time of launch.

We believe our core expertise could provide a platform to potentially be leveraged for additional late-stage orphan drug projects.

I look forward to relaying news to you around the projects and the progress of Egetis during the year ahead.

Finally, I extend my sincere thanks to all employees at Egetis for their committed work during 2021, the board of directors for governance and helpful counsel, our shareholders for their continued support and to all patients and physicians participating in the development of our product candidates.

Nicklas Westerholm
CEO, Egetis Therapeutics AB (publ), Stockholm

> **"2021 was a successful year for Egetis, where we achieved several important milestones with our Emcitate program. We are well on our way to creating a solid company with very skilled and experienced employees focused on rare diseases and we are well-positioned for the future."**
>
> **Nicklas Westerholm**
> CEO, Egetis Therapeutics AB (publ), Stockholm

BUSINESS CONCEPT, LONG-TERM GOALS AND STRATEGIES

A new specialized company with focus on development and commercialization of orphan drugs for treatment of serious medical conditions where there is a high unmet medical need and no available treatment

Goals and strategy

Egetis Therapeutics purpose is to create value for patients, society and shareholder by developing and providing a portfolio of unique products for the treatment of rare diseases with substantial unmet medical need.

Main business goals:

- Successfully develop Emcitate for market approval 2023/2024
- Successfully develop Aladote for market approval 2024/2025
- Commercialise Emcitate® and Aladote® through an inhouse commercial organization in EU/US and in other territories through partners
- Realise the full potential/value of Emcitate and Aladote via life cycle management
- Ensure fast and broad access to our products for patients worldwide
- Identify further assets that address the significant unmet medical need for patients with rare diseases and substantial unmet medical need
- Egetis' financial objective is to create increased value for shareholders in the long term

WE CARE

FOR THE RARE

The financial targets for Egetis are to generate increased value to shareholders over the long term. The Company thus focuses on projects in the late clinical development phase for commercialization in the orphan drug segment. The projects are selected based on a variety of criteria, the most important of which are medical needs, scientific rationale, achievable development plan, regulatory risk and market potential. Because potential treatments are located in areas with few or no competitors and with well-defined patient/prescribing groups, this is deemed to be an advantage and it enables effective commercialization with a relatively small, streamlined organization.

Egetis regards the orphan drug segment as an attractive portion of the pharmaceutical market. Orphan drug status is given to products for which the target group is a limited disease population[1]. There are currently more than 7,000 known rare diseases and approximately 10 % of the general population may be affected by a rare disease. At the present time, only 5 % of rare diseases have an approved therapy. Due to the limited number of patients, a smaller clinical study program is typically required for an orphan drug and accordingly, there tends to be a less costly development process and lower development risks. Pricing for orphan drugs is also higher compared to other drugs targeting larger patient groups.

The Company's project portfolio contains the orphan drug candidates, Emcitate and Aladote. For both, the commercial target groups are primarily hospital-based prescribers of drugs for patients suffering from MCT8 deficiency and paracetamol poisoning, respectively.

1. Populations with fewer than 5 out of every 10,000 inhabitants in the EU and fewer than 200,000 people in the USA

Research and development

The Company has an entrepreneurial approach and the business is run in a resource-efficient way. The organization consists of highly specialized individuals with experience in drug development and registration, who work closely with key opinion leaders, scientific advisory teams, strategic partners and Contract Research Organizations to conduct clinical trials and for other collaborative efforts. Through the acquisition of Rare Thyroid Therapeutics at the end of 2020, supplementary expertise has been added regarding orphan drug development in the late clinical phase, registration and launch. The Company applies for patents on every new scientific discovery deemed relevant and worth protecting. For the current development phase, financing of operations will primarily be via equity and potential licensing of projects to commercial partners in certain regions. More long term, sales revenue will contribute.

Strategy for commercialization

Sales of orphan drugs under own auspices is expected to, over time, serve as the main source of revenue for the Company. This type of revenue is recurrent and ongoing as long as there is market/patent protection and/or as long as sales continue.

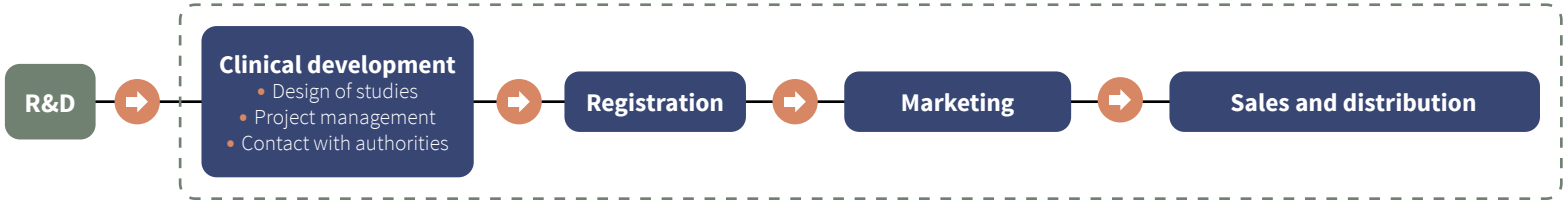
The Company intends to launch Emcitate and Aladote with internal resources in EU and in the USA, via a small and focused commercial organization. In other parts of the world, commercialization can occur either via our own internal organization or via partners, depending on what is expected to yield the best return in each region.

Patients with MCT8 deficiency are treated by highly specialized doctors, pediatric endocrinologists and pediatric neurologists who typically work at major university hospitals and reference centers. Patients with paracetamol poisoning are primarily treated at hospital emergency departments and intensive care units. The treatment algorithms are highly protocol driven. At present, there is no treatment for MCT8 deficiency. For paracetamol poisoning, the existing treatment alternatives are insufficient for serious paracetamol poisoning. Because of that, there is a large unmet need for effective treatments and thus far, there are essentially no competing products. Accordingly, the market conditions are favorable for both Emcitate and Aladote. For both, the target group is limited, centralized and focused, which facilitates a resource-efficient launch via a small, commercial organization.

The Company has concluded that it will be able to carry out a targeted launch in the EU and USA with a commercial organization of not more than 50 employees at the time of the launch. One goal of the strategy is to retain a major portion of the drug candidates' revenue within the Company over time.

Besides its contacts with the treating doctors, disease awareness will be an important part of the Company's marketing efforts. The goal of that is to increase and speed up diagnoses of MCT8 deficiency in order to ensure optimal treatment. The Company will also strive to convince government authorities and decision-makers of the importance of including MCT8 deficiency in the program for newborn screening tests. Likewise, it will strive to influence national poison information centers of the importance of including Aladote in the treatment guidelines.

Position of Egetis in the value chain



EMCITATE®

– is developed to treat patients with MCT8 deficiency (Allan Herndon Dudley Syndrome)

About MCT8 deficiency

The Company's assessment is that Emcitate has the potential to be the first approved drug for treatment of MCT8 deficiency. MCT8 deficiency, also known as Allan Herndon Dudley Syndrome (AHDS), is a very serious genetic disease, due to mutations in the gene for one of the key transporters of thyroid hormone in the body (monocarboxylate transporter 8). The mutations result in this transporter being entirely missing or, if it does exist, there is a total lack of functionality. Because of that, thyroid hormones cannot be transported across cell membranes and into the cells that depend on these particular transporters. Because the gene for MCT8 is located on the X chromosome, the condition only affects men, with an estimated frequency of 1 in 70,000 men or 1 in 140,000 for the population as a whole.

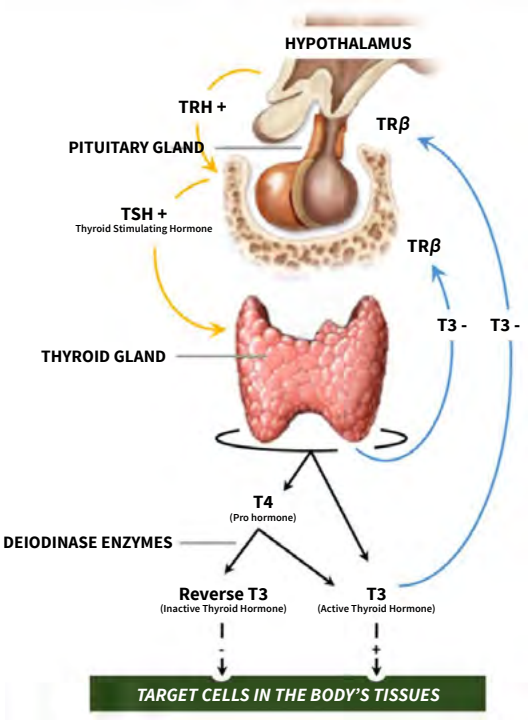
Thyroid hormones are produced by the thyroid gland and play a key role in regulating metabolism in the body. They are also necessary for the normal development of many organs and cell types, including the brain and its nerve cells. Triiodothyronine (T3) is the main active thyroid hormone in the body and exerts its effect via two thyroid hormone receptors (TRα & TRβ) in the cell nucleus. In order to reach its receptors, the thyroid hormone must first enter the cell, which occurs with the assistance of active cell membrane transporters. The body's thyroid hormone levels and their signaling are normally well regulated through multi-level feedback mechanisms, including the hypothalamic-pituitary-thyroid (HPT) axis, which controls synthesis, release, activation and inactivation. In order for them to function properly, these feedback mechanisms also require that the transport function is not impaired in any way.

Despite the key role that they play in regulating and facilitating thyroid hormone signaling, the first thyroid hormone transporter (MCT8), was not discovered until 2002. Since then, other transporters have been discovered, which are expressed with varying specificity in different tissues and cell types. MCT8 is the dominant thyroid hormone transporter in the central nervous system, including the cells in the blood-brain barrier. It is well known that the human brain is dependent on thyroid hormones in order for it to develop and function normally. When thyroid hormone is not present in the central nervous system, one example of which is MCT8 deficiency, it leads to a complex pattern of symptoms with neurocognitive delay and motor function disability. Patients with MCT8 deficiency do not exhibit any obvious impaired thyroid hormone functioning at birth and they appear normal, with normal weight, length and head circumference. The first symptoms are usually discovered after a few months, where it is noted that the neurocognitive development does not follow normal patterns and that the children do not achieve basic motor skills such as keeping their own head upright or sitting and they also have a limited ability to communicate. Most patients with MCT8 deficiency never achieve independence and remain dependent on lifelong care, 24/7.

MCT8 deficiency also affects the body's system for regulating thyroid hormone levels in the blood, resulting in a compensatory increase in circulating thyroid hormone. For cells and organs that use thyroid hormone transporters other than MCT8, which are not affected by MCT8 deficiency, the high concentrations in the blood mean that they will instead be exposed to far too high levels of thyroid hormone. These organs therefore enter into a state of continuous thyrotoxicosis, with pronounced cardiovascular effects (increased heart rate, high blood pressure and frequent arrhythmias), severely reduced body weight, impaired liver and kidney function and altered bone metabolism and blood lipids.

The unique pattern occurring with this illness, where, simultaneously, the levels of thyroid hormone are too low and too high in various cells and organs, leads to a complex and very serious condition involving much suffering, shorter life expectancy, burdensome and lifelong care needs and radically impacted quality of life.

THE BODY'S SYSTEM FOR THE PRODUCTION AND REGULATION OF THYROID HORMONE

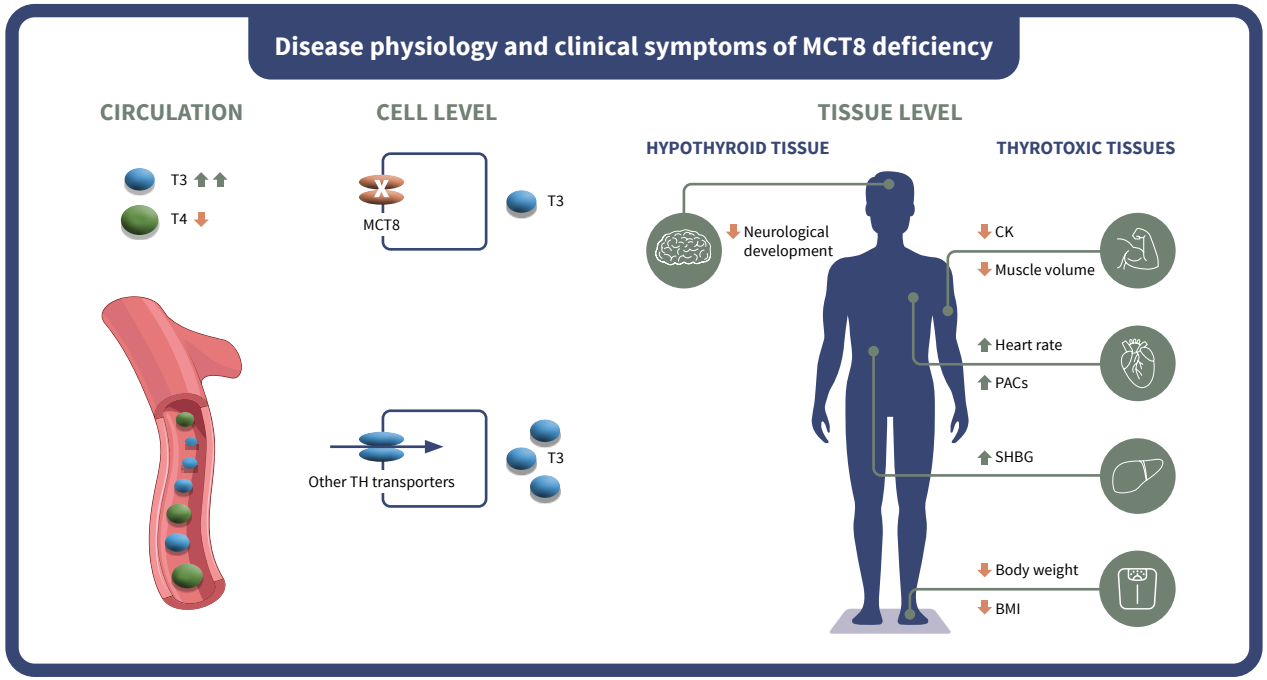


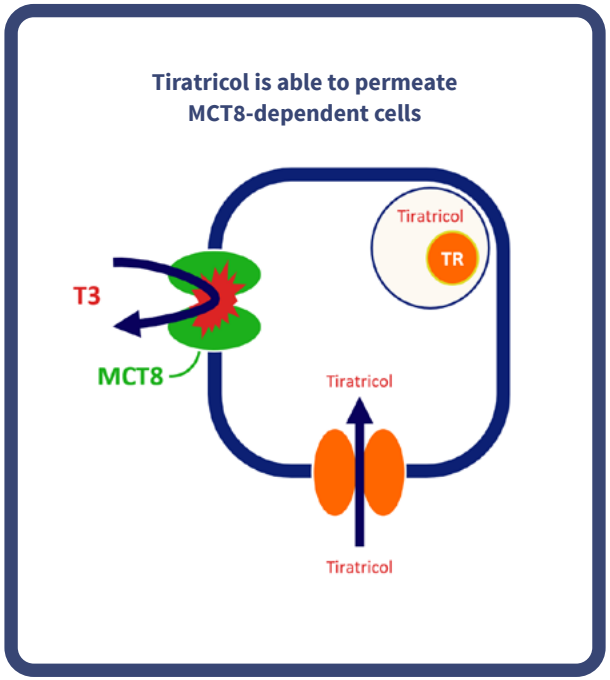
There is currently no treatment for MCT8 deficiency.[1] Furthermore, the typical treatments given for other conditions where there are elevated or low levels of thyroid hormone are neither suitable nor effective due to the complex nature of MCT8 deficiency, with levels of thyroid hormone that are simultaneously too high and too low in various tissues of the body. Patient suffering, with a radically reduced quality of life, burdensome care needs and a lower life expectancy results in very high societal costs. The median life expectancy for a patient with MCT8 deficiency is 35 years.[2] Accordingly, there is a pressing need for drugs that would be able to address the underlying imbalance and normalize the body's thyroid hormone signaling.

According to the Company, Emcitate has unique characteristics for being able to address the underlying problem of MCT8 deficiency. Tiratricol is a structural analogue to T3, which, ordinarily, occurs at very low levels in the body. The molecule has chemical properties and a biological mechanism of action that is quite similar to T3.

Unlike T3, however, tiratricol can enter MCT8-dependent cells even without functioning MCT8 and thus circumvent the basic problem of MCT8 deficiency. It has also been shown that tiratricol can bind to, and restore signaling in, several of the most common mutations in the TRβ receptor, another distinct, but closely related disease called RTH-β. Going forward, the Company plans to investigate the possibilities of developing and registering Emcitate for this condition as well. In February 2022, Emcitate obtained Orphan Drug Designation (ODD) for RTH-β by the US Food and Drug and Administration (FDA).

Tiratricol has already been approved for more than 40 years in France, under the brand name of Teatrois, as a supplementary treatment for certain types of thyroid cancer. The Company owns and controls this product and its registration. Since April 1, the Company no longer offers Teatrois on the





1. Groeneweg et al, Lancet Diabetes & Endocrinology, 2019
2. Disease characteristics of MCT8 deficiency: an international, retrospective, multicentre cohort study, Groeneweg et al, Lancet Diabetes & Endocrinology, 2020

French market. Emcitate contains the same active drug substance as Teatrois, but in order to prepare for regulatory approvals and meet the current requirements for quality and documentation, both the manufacturing process and the product have been upgraded in accordance with modern standards and guidelines. The modernized product, Emcitate, is the product used in the Company's clinical trials, Triac Trial II and the planned placebo-controlled trial. Based on the French product, however, there is extensive experience with tiratricol in similar dosages and even with chronic use, without any indication of negative safety problems.

Pre-clinical results

In vitro studies, where cells from patients with MCT8 deficiency were incubated with tiratricol and T3, revealed that tiratricol, but not T3, was able to permeate those cells.
In several animal models of MCT8 deficiency (mice, chicken, zebrafish), early treatment with tiratricol has been able to completely halt progression of the disease at the histochemical (cell markers), histological (tissue morphology) and functional/clinical (motor tests) levels.

Clinical results - Triac Trial I

An international Phase IIb study (Triac Trial I), in which the efficacy and safety of treatment with tiratricol were evaluated in patients with MCT8 deficiency at all ages, was completed in 2018. The purpose of the study was to investigate whether it was possible to normalize thyroid hormone status in cells that are dependent on MCT8 (too low thyroid hormone signal at baseline) and other transporters (too much thyroid hormone at baseline). The primary efficacy endpoint was to normalize the levels of T3 in the blood. A secondary efficacy endpoint was an investigation of recognized symptoms and clinical complications resulting from chronic peripheral thyrotoxicosis such as heart rate, blood pressure, arrhythmias, body weight and some specific biomarkers. There was also an exploratory investigation of other parameters, including neurocognitive development.

OUTCOME FOR EFFICACY ENDPOINTS IN TRIAC TRIAL I

Endpoints	Baseline average (± Std. dev.)	12-month average (± Std. dev.)	Difference in average (95% KI)	p-value
Serum T3 (nmol/L)	**4.97 (± 1.55)**	**1.82 (± 0.69)**	**-3.15 (-3.62, -2.68)**	**<0.0001**
Weight to age (z score)	-2.98 (± 1.93)	-2.71 (± 1.79)	0.27 (0.03, 0.50)	0.025
Resting heart rate (bpm)	112 (± 23)	104 (± 17)	-9 (-16, -2)	0.01
Average heart rate 24 hours (bpm)	102 (± 14)	97 (± 9)	-5 (-9, -1)	0.012
SHBG (nmol/L)	212 (± 91)	178 (± 76)	-35 (-55, -15)	0.0013
Total cholesterol (mmol/L)	3.2 (± 0.7)	3.4 (± 0.7)	0.2 (0.0, 0.3)	0.056
CK (U/L)	108 (± 90)	161 (± 117)	53(27, 78)	<0.0001

A total of 46 patients (from nine countries) with MCT8 deficiency were included in the study and they were treated with tiratricol for one year. The treatment led to a rapid and lasting normalization of thyroid hormone levels in the patient population, which was the study's primary efficacy endpoint, which presented with a high degree of significance ($p < 0.0001$). This biochemical normalization was also confirmed with improvement in the symptoms, measures and markers of thyroid hormone status studied (see below).

Regarding neurocognitive development, which was an exploratory parameter in this study, a tendency to improve was noted for the youngest patients (<4 years) while the older patients did not show any tendency to improve. This was expected and it is in line with what is known about the development of the brain, the role of the thyroid hormone and the window of time that exists for being able to influence it. This contrasts with the primary and secondary efficacy endpoints of the study, where no age differences were noted and where the patients, regardless of their age, demonstrated clinically relevant improvements.

Clinical results – EMC cohort study

Long-term data on 67 patients from a investigator-initiated cohort study at 33 clinics conducted by Erasmus Medical Center (EMC), Rotterdam, The Netherlands, confirmed the efficacy and safety of Emcitate treatment in patients with MCT8 deficiency. The results were published in the Journal of Clinical Endocrinology and Metabolism during fall 2021.

The 67 patients had a median age of 4.6 years at the start of the study and they were treated with tiratricol for up to six years, with a median of 2.2 years (interval 0.2–6.2 years). The primary efficacy endpoint, the mean serum T3 concentrations, decreased significantly from baseline to the last visit. The pre-specified secondary endpoints were clinical complications of

chronic peripheral thyrotoxicosis, including changes in body weight and height, cardiovascular symptoms and biochemical markers that reflect thyroid hormone status in organs such as the liver, kidney and muscles.

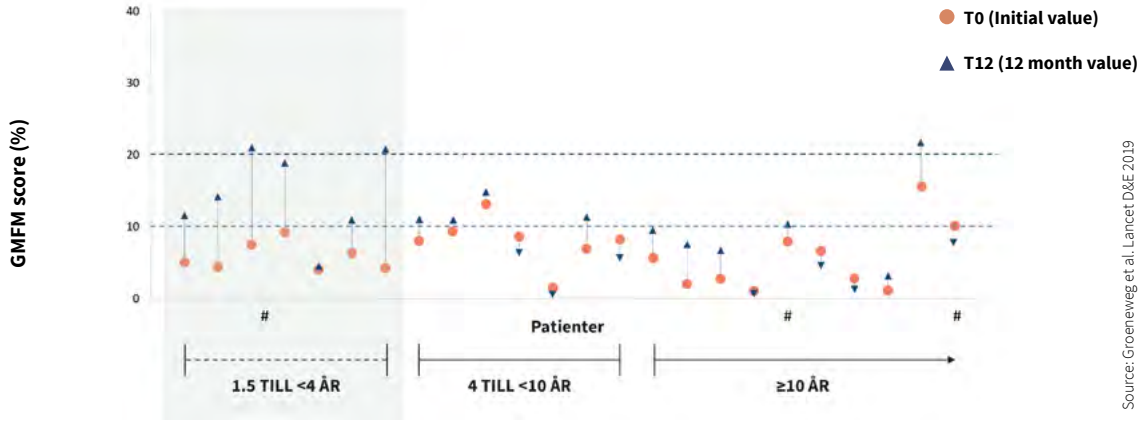
The primary efficacy endpoint – the average serum T3 concentration – was significantly reduced from the level prior to the start of 4.58 (SD: 1.11) nmol/L, to 1.66 (0.82) nmol/L at the last visit; target level: 1.4–2.5 nmol/L (average reduction 2.92 nmol/ L, 95% CI 2,61–3.23 nmol/L, p<0.0001). Several clinically relevant and significant improvements were reported for secondary efficacy endpoints. Body weight for age (Z-score) was higher compared to historical controls, untreated (average difference 0.72, 95% CI: 0.36–1.09, p=0.0002). Average heart rate for age (Z-score) decreased (average reduction 0.64, 95% CI: 0.29–0.89, p=0.0005).

Average SHBG concentration fell from 245 (99) nmol/L prior to treatment to 209 (92) nmol/L at the last visit (average reduction 36 nmol/L, 95% CI: 16–57, p=0.0008). Average creatinine concentration increased from 32 (11) µmol/L prior to treatment to 39 (13) µmol/L at the last visit (average increase 7 µmol/L, 95% CI: 6–9, p <0.0001). Average CK concentration did not change significantly. No serious drug related side effects were reported.

Regulatory process for Emcitate

Emcitate was granted Orphan Drug Designation (ODD) by the European Medicines Agency (EMA) in November 2017 and by the US Food and Drug and Administration (FDA) in January 2019 for treatment of MCT8 deficiency. In the USA, Emcitate also received Orphan Drug Designation for treatment of Resistance to Thyroid Hormone type beta (RTH-β) in February 2022. With ODD status, there are regulatory advice advantages, along with a reduction of (or complete exemption from) certain fees and tax credits (in the USA). Furthermore, when a drug with ODD status obtains market approval, it will then have market exclusivity in the USA for 7 years and in the EU for 10 years, during which time no other product with that substance may be approved for the indication. For drugs that have been specially developed for children, market exclusivity can be extended for another 0.5 year in the USA and 2 years in the EU. In November 2020, *Emcitate* received US Rare Pediatric Disease (RPD) designation, which increases the likelihood of Egetis receiving a Priority Review Voucher (PRV) after market approval in the USA. In October 2021, the FDA granted Fast Track Designation.

Indication of positive effect on neurocognitive development
In the youngest patients which is further studied in the ongoing Triac Trial II



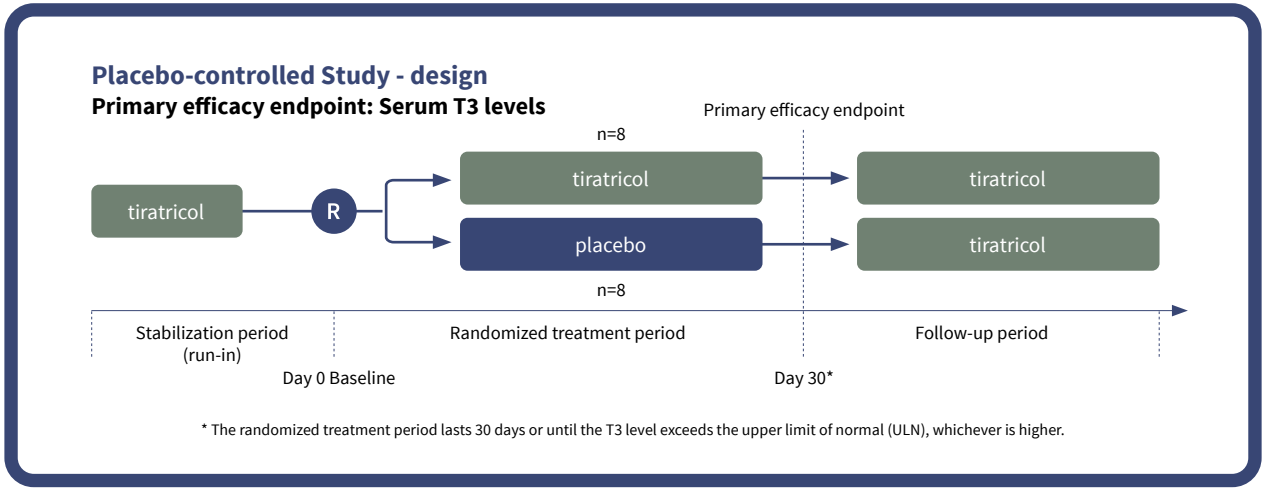
Source: Groeneweg et al. Lancet D&E 2019

Based on the fact that the results of the EMC cohort study repeated what had been seen in Triac Trial I, interactions were initiated with the regulatory authorities EMA and FDA regarding the road forward towards an application for market approval. Based on favorable interactions, the EMA concluded that the existing data from Triac Trial I and long-term data from the EMC cohort study are sufficient for submitting a Marketing Authorisation Application (MAA) in Europe. All of the clinical data required for submitting an application for market approval, and the subsequent regulatory review, is thus already available, which reduces the remaining risks for Emcitate. Egetis intends to submit an application for market approval (MAA) for Emcitate to the European Medicines Agency (EMA) during the first half of 2023.

The FDA also acknowledged that a treatment effect on T3 levels and chronic thyrotoxicosis in MCT8-deficiency could provide a basis for marketing approval in the US, which increases the likelihood of success there as well. To supplement the existing clinical data for a New Drug Application (NDA) in the USA, Egetis will perform a small, randomized, controlled study of 16 patients who will be

treated with Emcitate to verify the results at T3 levels that were previously observed in Triac Trial I and the recently published EMC cohort study. Egetis intends to submit a New Drug Application (NDA) for Emcitate to the FDA in mid-2023, which will have Fast Track Designation.

Given the significant medical need with gravely ill patients and no available treatment, there is much interest in early access to the product and the Company already, on request, offers Emcitate through NPB[1] licensing in a number of countries, after individual approval from each national regulatory authority. Named patient access is a mechanism to allow for early access to important and life-saving medicines in situations with high unmet medical needs and where no available treatment alternatives exist or are suitable.



Clinical development program

Placebo-controlled study

To supplement the existing clinical data for a New Drug Application (NDA) in the USA, Egetis will perform a small, randomized, controlled study of 16 patients who will be treated with Emcitate to verify the results on T3 levels that were previously observed in Triac Trial I and the recently published EMC cohort study. The patients will be randomized to continue treatment with Emcitate or to receive a placebo for up to 30 days, or to the point when the T3 level exceeds the Upper Limit of Normal (ULN). The primary endpoint of the study is the proportion of patients meeting the rescue criterion within the randomized treatment period. The primary source for patient selection will be through our existing named patient program.

Triac Trial II

Because the number of young patients was limited in Triac Trial I, the Company initiated another trial (Triac Trial II; NCT02396459) to confirm the findings. The aim of the study is to specifically investigate neurocognitive development when young patients with MCT8 deficiency receive early treatment. The first patient was included in December 2020 and the total to be included is 15-18 patients with MCT8 deficiency under the age of 2.5 years at 10 clinics in a total of seven countries in the EU and the USA. The patients will be treated with tiratricol for a two-year period. The efficacy endpoints of the study are a number of scales for assessment and monitoring of neurocognitive development in children (GMFM, BSID-III, HINE), along with evaluating whether the patients achieve certain specific motor variables such as the ability to hold up their head or sit independently. The results are expected during the first quarter of 2024, with the plan of submitting them to the regulatory authorities after market approval has been granted.

The planned development program for 2022–2024:

2022	• Full recruitment (LPFV[2]) to Triac Trial II • Execution and evaluation of placebo-controlled study
2023	• Publication of results from placebo-controlled study • Submit an MAA in EU in the first half of 2023 • Submit an NDA in the USA mid 2023
2024	• Approval in the USA and EU, pricing and launch • Evaluation and publication of final data from the Triac Trial II study (96 weeks)

1. Named Patient Basis. 2. Last Patient First Visit

EMCITATE, MARKET AND COMMERCIALIZATION

Market overview

Overview of the market for orphan drugs

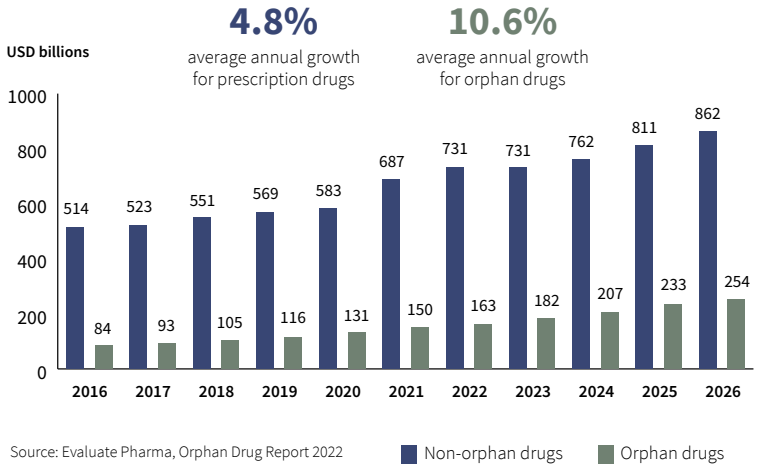
The market for orphan drugs has grown robustly over the past two years and in 2020, sales of orphan drugs increased by 12.5% on an annual basis and amounted to USD 131 billion. By comparison, total sales of prescription drugs (excluding generics) increased by 2.6% during the same period and in 2020 amounted to a total of USD 583 billion. The global market for orphan drugs is expected to grow to USD 254 billion by 2026, corresponding to an average annual growth of 10.6% during 2016-2026, which is more than twice the growth rate of the total market for prescription drugs, excluding orphan drugs and generics. The growth in the global market for orphan drugs shows that the authorities' initiative to stimulate the development of new treatments for rare diseases has been successful. It is also due to the fact that progress in research and development has increased pharmaceutical companies' ability to develop treatments for rare diseases.

Differentiating factors for orphan drugs

There are several factors behind the increasing sales of orphan drugs. The development costs are typically lower than what applies for more common diseases, which has to do with the clinical studies being less comprehensive. Pricing is relatively high because of the substantial unmet medical need associated with these types of rare diseases, limited treatment options and low impact on pharmaceutical budget due to the small patient population. This is reflected in the annual cost per patient, which was more than four times as high for orphan drugs as it was for other drugs in 2018. In 2018, the average price for orphan drugs in the USA was approximately USD 150,000 per patient/year.

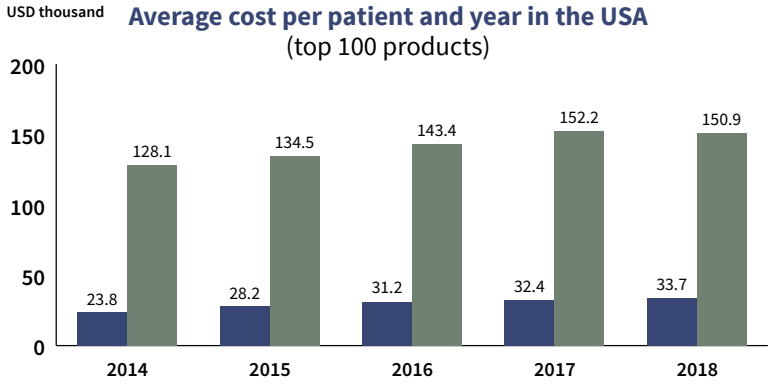
Orphan drugs benefit from financial incentives, such as market exclusivity, which is valid for seven years in the USA and ten years in the EU. In addition, research shows that the probability that an orphan drug will receive market approval is higher compared to a drug that is not an orphan drug. According to the results of a study published in 2014, the probability that a drug (orphan drugs as well as other drugs) in Phase I will receive market approval is 10.4%, including all indications. Looking only at orphan drugs, the probability increases to 32.9%. For drugs in Phase II, the figures increase to 16.2% and 37.9%, respecitvely, and for drugs in Phase III, to 50.0% and 54.2%, respectively.

Drug sales around the world



Source: Evaluate Pharma, Orphan Drug Report 2022

Average cost per patient and year in the USA (top 100 products)



Source: Evaluate Pharma, Orphan Drug Report 2019

Significant market potential for Emcitate

Addressable market

Monocarboxylate transporter 8 (MCT8) was first discovered in 2002, which means that MCT8 deficiency is a relatively young disease. Awareness of the disease is therefore low and it is estimated that a significant proportion of patients with MCT8 deficiency currently remain undiagnosed. There are few epidemiological studies that systematically attempt to estimate the prevalence of MCT8 mutations in the population. In 2012, a Dutch study examined the presence of mutations in the gene for MCT8 among a cohort of patients with unknown neurocognitive impairment. An incidence of MCT8 mutation was found in 3.9% of these patients with X-linked mental retardation. When applying this to the population as a whole, it corresponds to a prevalence of 1 out of every 100,000 inhabitants, or 1 in every 50,000 men. A recently published study describes the medical history and natural course of 151 patients with MCT8 deficiency.[1] According to this study, the prevalence of the condition in the population is 1 in 70,000 men. Based on these figures, the total addressable population in the USA, EU and RoW[2] (Rest of World has been defined as the population with access to a healthcare standard of the western world) is approximately 10,000–15,000 patients.

1. Visser et al. Clin Endocrinol 2013, 78: 310-5
2. Addressable countries in RoW (Rest of World) such as Great Britain, Australia, Canada, Japan, Switzerland, South Korea and Turkey.

Market potential
In general, the pricing for orphan drugs is significantly higher than other drugs. There are a variety of reasons for this. There is acceptance between pricing authorities and payers that it should be profitable to develop drugs even for rare diseases and obtain approval, even though the limited patient population results in a relatively high cost per patient. However, the total cost for all patients in any given country need not be significant. Additionally, orphan drugs typically address a disease state that is very serious with gravely ill patients who currently are not being treated. This means that effective drugs can result in significant improvements in quality of life, survival and care needs, which, in turn also benefits society in the form of cost savings. Accordingly, it is possible to prove that this is cost-effective, despite the high prices.

In the end, the price for Emcitate will be determined after having weighed the results of Triac Trial I, published long-term data and the results of Triac Trial II. Thus, it is still too early to set a price for the treatment. Nevertheless, it is already evident that the payment willingness is high for drugs used to treat diseases with a corresponding rarity, severity and treatment effect as what the Company wishes to demonstrate with Triac Trial II. Existing drug analogues have a price range of USD 375,000 - 750,000 per patient per year in the USA. The price level for these pharmaceutical analogues is slightly lower in Europe, but the difference is smaller compared to traditional specialist care drugs, and the corresponding price range is EUR 250,000 - 600,000 per patient and year in Europe. Pricing for pharmaceuticals in Europe follows clear principles, which are based on the costs in relation to Quality Adjusted Life Years (QALY), and the Company intends to follow these principles. Given similar price levels and an addressable population of 10,000-15,000 potential patients, the total theoretical market potential for the product will be over USD 1 billion even with cautious assumptions about market penetration.

At present, there are no products on the market or other companies with active clinical development programs within MCT8 deficiency that the Company is aware of.

Because only a very small number of doctors provide care for patients with MCT8 deficiency along with there not being any competing drugs for the disease, it would be possible to, once market approval has been obtained, distribute information about Emcitate to relevant doctors with very limited sales and marketing efforts required. This creates good conditions for a cost-effective and thereby very profitable commercialization. Egetis intends to launch Emcitate with internal resources in Europe and in the USA, via a small and focused commercial organization. In other markets, Egetis may enter into partnerships with others. As with other similar serious rare diseases where a new drug is emerging, rapid market penetration is expected.

Opportunity for additional significant income linked to Emcitate
In November 2020, Emcitate was granted Rare Pediatric Disease (RPD) status, focused on rare pediatric diseases by the US Food and Drug and Administration (FDA). Once market approval for New a Drug Application has been obtained, sponsors who have been granted RPD status can apply for a US Rare Pediatric Disease Priority Review Voucher (PRV), which allows for a quicker FDA review than what applies for other drug candidates and thereby shortens the time to launch in the USA. The voucher may be sold or transferred to another sponsor. At the end of 2019, a total of 22 PRVs had been issued by the FDA and of these, 12 were sold at a price between USD 67 – 350 million per PRV. In 2020, Bayer Healthcare, Lumos Pharma and Sarepta Therapeutics sold PRVs for between USD 100 – 125 million per PRV. In 2021, Albireo sold a PRV for USD 105 million and in February 2022, BioMarin sold a PRV for USD 110 million. According to the agreement from the acquisition of RTT in 2020, a total of 50% of the net revenue shall go to the RTT sellers in the event of a sale of an Emcitate-related PRV. Egetis' share of a PRV sale is estimated at approximately USD 50 million.

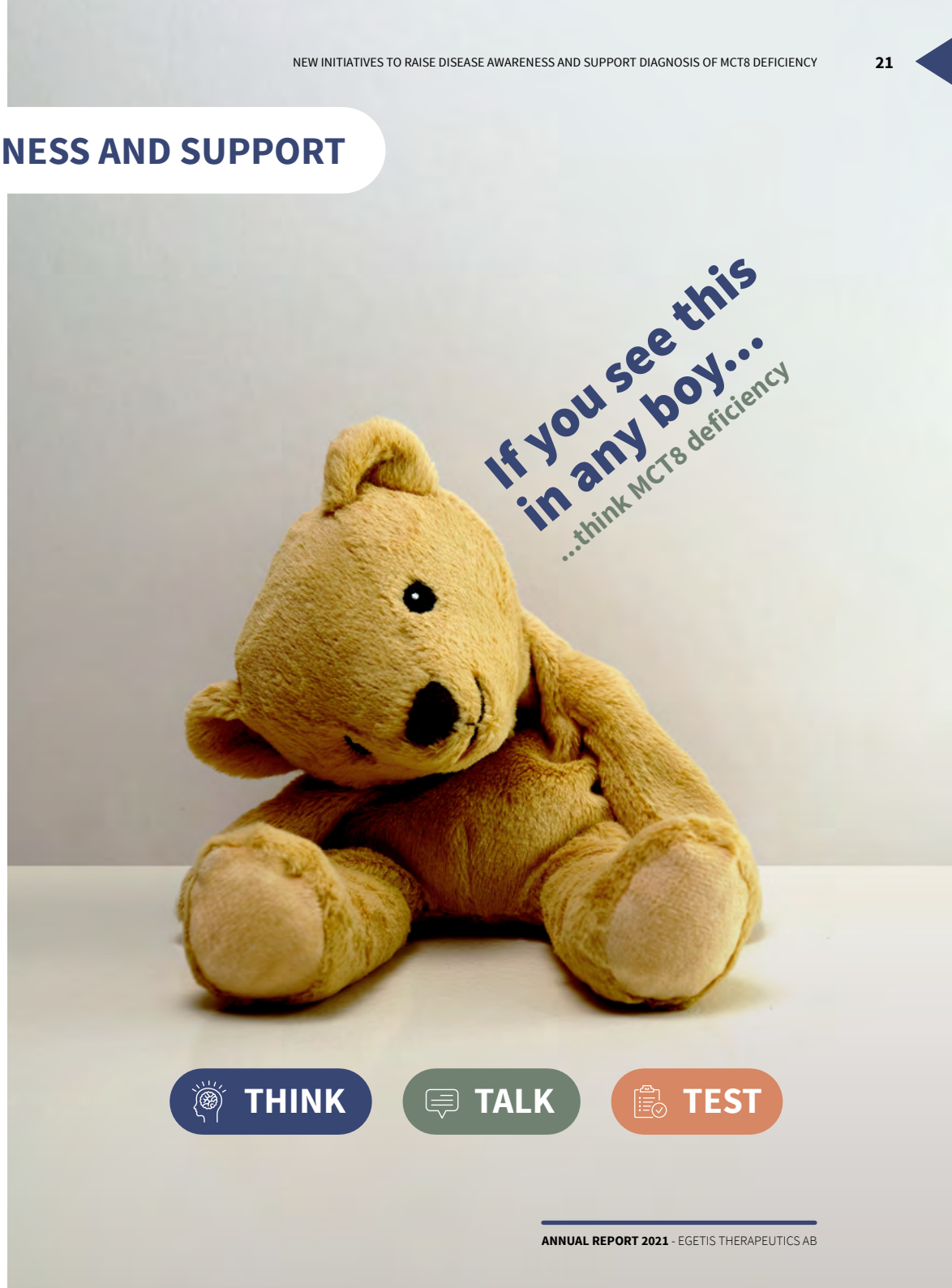
NEW INITIATIVES TO RAISE DISEASE AWARENESS AND SUPPORT DIAGNOSIS OF MCT8 DEFICIENCY

Egetis is involved in helping to improve the quality of life and lengthen life expectancy for patients suffering from rare diseases, such as MCT8 deficiency. At the end of 2021, Egetis launched an initiative to increase awareness of the disease. This included, among other things, the global Cuddly Toy campaign to raise awareness of MCT8 deficiency among healthcare professionals and support diagnosis. The campaign features a series of cuddly toys with tilted heads, synonymous with the inability of affected boys to hold up their heads. The campaign includes a series of advertisements as well as the website www.mct8deficiency.com and was recently shortlisted by the prestigious 2022 Pharmaceutical Marketing Society awards in London, https://pmsociety.org.uk/about-the-pm-society/.

In addition to other health education activities, such as scientific and medical conferences aimed at healthcare professionals, the website will be used for educational purposes through the growing network of key opinion leaders, physicians and patient advocacy groups focusing on MCT8 deficiency. Disease awareness and training initiatives are aimed at helping more doctors correctly diagnose and treat the condition.

MCT8 deficiency is a rare and serious genetic disease, which was only first described less than 20 years ago. At present, there are no approved drugs available for treatment of the disease. More and more people are being diagnosed with MCT8 deficiency. However, many parents of children who are affected need to wait a long time before being referred to a doctor who knows about the condition and is able to make a correct diagnosis. It is likely that some are never correctly diagnosed.

It is relatively simple to diagnose MCT8 deficiency when a doctor knows what to look for. Each person who has trouble holding up their head or unexplainable neurocognitive developmental delay, should be investigated for MCT8 deficiency. It is simple to perform a standard T3 test at nearly any local clinic. If the T3 levels are high, MCT8 deficiency can then be confirmed via a genetic test so that the patient can receive the best possible care.



Q&A WITH PROFESSOR ANDREW J. BAUER AND AMBER ISAZA

Fråga

What could be done to increase and speed up diagnosis of MCT8 deficiency?

Svar

Often, children who suffer from MCT8 deficiency first come to the attention of a pediatrician or a neurologist, because of a floppy head and involuntary muscle movements. One of the challenges is to better educate the medical community about the need to do a proper biochemical analysis in addition to neurological assessments. The critical thing is to educate doctors to not only look at TSH and T4, but also measure T3, as elevated T3 levels are pathognomonic (indicative) to the diagnosis of MCT8 deficiency. If you only measure T4 and TSH, you will see a low T4 and an inappropriately normal TSH. Once you have observed an elevated T3, germline testing for functional mutations in the gene coding for the MCT8 protein should be performed to confirm the diagnosis.

Fråga

How important is an early diagnosis of MCT8 deficiency?

Svar

Based on *in vivo* mouse models, prenatal treatment of MCT8 deficiency and what is known about neurocognitive development, there is very good reason to be optimistic that the earlier the initiation of therapy, the greater the potential positive effects on neurocognitive development. Therefore, it is important to diagnose patients early and initiate treatment as soon as possible.

Fråga

How could families with children suffering from MCT8 deficiency be assisted?

Svar

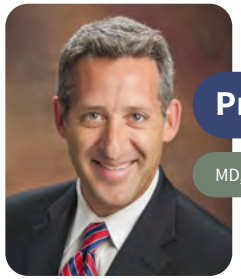
The families with children suffering from MCT8-deficiency appreciate meeting doctors and caregivers who understand their disorder. Many local hospitals and clinics have limited experience with MCT8 deficiency which can be frustrating for the families. Parents and guardians usually have a lot of questions and want answers from healthcare professionals who understand or have experience with the disease. In addition to the neurocognitive deficits, decreased tone with disorganized movements, and failure to gain weight, poor sleep quality with frequent wakening has a significant and negative impact on the patient as well as their parent(s) and care providers. All children with MCT8 will need lifelong support.

Fråga

What do you think is the true prevalence of MCT8 deficiency?

Svar

We believe the disease is severely underdiagnosed, mainly because of a lack of awareness of the disease. Here at CHOP (Children's Hospital of Philadelphia) alone we have 12 MCT8 patients originating from our catchment area and 17 patients which we have consulted on their care from other healthcare institutes in the United States and Canada. We should also keep in mind that we're currently likely diagnosing only the most severe cases of MCT8 deficiency. With the identification of a treatment associated with improved health for patients with MCT8 deficiency, increasing disease awareness provides us with the greatest chance to reach more patients suffering from this devastating disease.



Professor Andrew J. Bauer

MD, Medical Director of the Children's Hospital of Philadelphia's Thyroid Center, Philadelphia, PA, USA

Amber R. Isaza

BA, Program Manager, the Pediatric Thyroid Center at Children's Hospital of Philadelphia, PA, USA

ALADOTE®

- developed to reduce the risk of acute liver damage from paracetamol poisoning

Paracetamol poisoning is one of the most common drug poisonings

Paracetamol (acetaminophen) is the world's best-selling drug by volume. In 2012, the use of paracetamol amounted to 150 billion doses, of which 19 billion in the United States, which is the largest single market. Paracetamol is available over-the-counter (as, for example, Alvedon and Panodil) and as a prescription drug. It is also one of the most commonly overdosed drugs. An overdose of paracetamol can result in acute liver damage, which, in turn, may lead to the need for a liver transplant and in the worst case, death. Paracetamol can have harmful effects already with an intake of just over 7 grams, which is the equivalent of 14 tablets, each 500 mg, which is less than what a regular package of Alvedon contains, for example. The US Food and Drug Administration (FDA) has, on several occasions, mentioned paracetamol poisoning as a growing problem and various measures have been proposed to reduce the risk of poisoning, such as limited availability, reduced tablet strength or smaller packages. Each year in the USA, there are approximately 89,000 cases where a patient seeks care due to paracetamol poisoning. Also in Sweden, measures have been taken to reduce the availability of paracetamol at grocery stores. In 2012, approximately 1,500–2,000 people were hospitalized for paracetamol overdose in Sweden. Between 2015 and 2017, the number of calls about paracetamol poisoning to the Poison Information Center increased by 21 percent. Great Britain had the largest number of victims in Europe during the 2000s. There are approximately 100,000 cases each year in Great Britain.

When paracetamol is taken under the critical dose limit, the liver is able to process it and break it down, after which, it is excreted in the urine. When too much paracetamol is broken down in the liver, toxic (metabolite) NAPQI (N-acetyl-p-benzoquinone imine) is formed, which can cause acute liver failure (ALF). Research indicates that mitochondrial dysfunction plays an important role in the progression of the disease. Paracetamol contributes to Reactive Oxygen Species (ROS) that damage cells and organs. Acute liver failure is characterized by massive cell death of liver cells, a condition that occurs when the liver's stores of tripeptide glutathione are depleted, and the toxic degradation product of paracetamol (NAPQI) can no longer be excreted via the kidneys bound to glutathione, causing severe mitochondrial dysfunction.

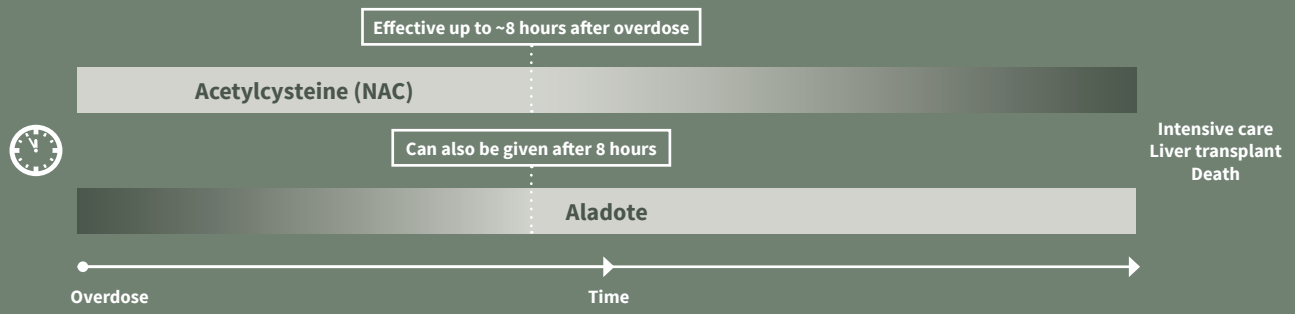
Current treatment less effective eight hours after an overdose

Today's established treatment for paracetamol overdose is with N-acetylcysteine (NAC). Treatment is already initiated when paracetamol poisoning is suspected, often before the doctor has obtained a test result. NAC stimulates the formation of glutathione and replenishes the liver's glutathione stores and can thus handle a larger proportion of the toxic degradation product (NAPQI metabolite) of paracetamol. The treatment is most effective when given within eight hours of an overdose. For patients who arrive at the hospital later than that, and for those patients with excessively high overdoses, there is a need for a more effective treatment option. The goal of Aladote is to meet this medical need.

25 percent seek care after more than eight hours

The percentage of patients who seek care late (after 8 hours) is estimated at between 25 and 30 percent of all cases of paracetamol poisoning. In the USA alone, it corresponds to approximately 20,000 - 24,000 patients per year who would be in need of a treatment that can be effective even more

Aladote may be effective after the critical eight-hour limit, since NAC treatment is less effective.



than eight hours after an overdose. At present, there are no products on the market or in the clinical phase, which are intended for the treatment of high-risk patients who seek care too late. Egetis' drug candidate, Aladote, therefore has the potential to become the leading drug in this important area.

Aladote – restores mitochondrial energy production

The drug candidate, Aladote, contains the active substance, calmangafodipir, which is a readily soluble small enzyme-like molecule that is relatively easily absorbed by a cell (LowMEM, Low Molecular Enzyme Mimetics). In experimental studies, calmangafodipir has demonstrated the ability to reduce the harmful biochemical processes resulting in mitochondrial dysfunction, a biochemical process where Reactive Oxygen Species (ROS) increase the ability to form new chemical compounds that damage cells and organs. When paracetamol poisoning occurs, the liver cell's own stores are depleted of tripeptide glutathione. By mimicking the body's own enzyme, manganese superoxide dismutase (MnSOD), Aladote strengthens the cells' own protection and therefore has the ability to prevent cell death.

Phase Ib/IIa Proof of Principle study completed with favorable results

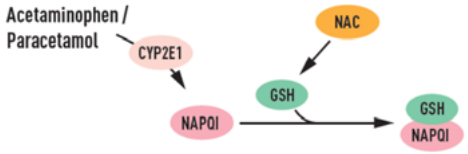
A Proof of Principle Phase Ib/IIa study was completed in June 2018. The primary purpose of the study was to evaluate the safety and tolerability of Aladote in combination with current, standard NAC therapy. Some specific biomarkers for liver damage were also studied. A total of 24 patients were grouped into three different dosage groups of eight patients each. In each dosage group, six patients were treated with a combination of Aladote and NAC, while two patients were treated only with NAC. The results showed that Aladote is safe and tolerable when used together with NAC and they also indicate a reduction of liver damage for the patient

How Aladote works

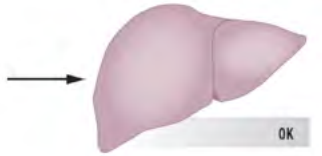
Early presenters (<8 hours)

NAC treatment effective against liver damage

- Liver glutathione (GSH) replenished by NAC, toxic NAPQI metabolite excreted as GSH conjugate



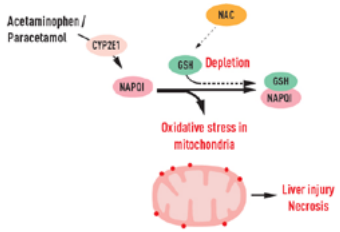
- In most cases, NAC effectively prevents liver damage, resulting in a limited need for Aladote.



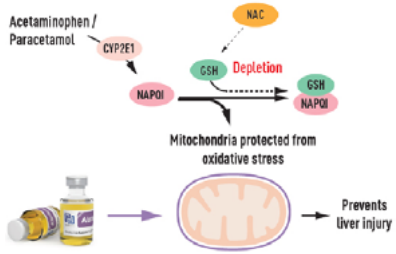
Late presenters (>8 hours) with higher risk of liver damage

NAC treatment + Aladote to prevent liver damage

- **With NAC treatment alone** (>8 hours) GSH stores in the liver are depleted and NAPQI metabolite binds to liver cells -> **oxidative stress, mitochondrial dysfunction and liver damage (necrosis)**



- **Aladote** (calmangafodipir) prevents the formation of ROS = Reactive Oxygen Species and RNS = Reactive Nitrogen Species, restores mitochondrial energy and prevents liver damage.



population that was studied. This is based on analyzes of ALT (alanine aminotransferase) and the exploratory biomarkers (measurable indicators of a biological condition) Keratin-18 (K18) and microRNA-122 (miR-122) which were secondary variables in the study. ALT is an enzyme used as a clinical marker to diagnose liver disease and is present in liver cells and in small amounts in the blood. The two exploratory biomarkers (K18 and miR-122) are supported by the European Medicines Agency (EMA) and the US Food and Drug and Administration (FDA) as exploratory biomarkers in clinical trials for paracetamol-induced liver damage.

Recognized results

The positive results from the Phase Ib/IIa study were presented orally at the global conference EASL ILC 2019, otherwise known as The International Liver Congress. The conference is one of the world's largest scientific conferences in the field of hepatology (the study of the liver). The Aladote results were presented as one of the highlights of the conference. The results from the study (Phase Ib/IIa) were also published in 2019 in the Lancet's eBioMedicine.

Clinical development program

Egetis plans to conduct a Pivotal Phase IIb/III study with Aladote prior to the application for market approval in the USA, EU and UK. The purpose of the next study is to investigate and confirm the effect of the drug and arrive at dosage for treating patients with this drug in the future. The study is designed as a randomized, multi-center, double-blind, placebo-controlled, parallel group study of calmangafodipir compared to placebo in patients who have overdosed and have increased risk of liver damage that are treated with NAC within 24 hours after paracetamol overdose. The design has been finalized in consultation with the EMA, the FDA and the English Medicines Agency (MHRA) and it is considered to be

Aladote: Pivotal Phase IIb/III study

Patient population	• Patients who have overdosed on paracetamol with increased risk of liver damage due to late arrival at hospital (> 8h) who need treatment with NAC
NAC regimen	• Approved 21 hours NAC regimen
Treatment groups	• 4 groups in combination with NAC: Aladote high dose; Aladote middle dose; Aladote low dose; Placebo
Initiation of active treatment	• IV (bolus) as soon as possible after randomization and after starting NAC treatment, but not more than 4 hours after starting NAC treatment
Interim analysis	• Interim analysis after 35 patients per treatment group, which includes a futility analysis, choice of dose and analysis of continued study size (number of patients)
Study size	• 250 patients planned
Efficacy endpoints	• Primary: Combination of ALT and INR • Number (%) patients who need extended NAC treatment after 21 hours • Length of hospital stay • Exploratory biomarkers: K18, miR-122 and GLDH
Study countries	• EU, UK and USA

a pivotal trial (i.e. it will provide the efficacy data required to enable a new drug application) in the EU, USA and UK. The Company plans to include around 250 patients in the EU and USA. Initially, subjects are randomized to one of four treatment arms (three active and placebo, 1:1:1:1 in addition to NAC). An interim analysis is planned after 35 patients per treatment arm have been treated where three things will be done: 1) a futility analysis to assess whether the clinical trial will be able to achieve its objectives. If not, the study will be terminated. If it can proceed 2) the most effective of the three active doses included will be identified and selected for the continuation of the study and 3) the study size for continuation of the study will be evaluated to ensure that it can provide statistical significance. Intravenous NAC for paracetamol overdose will be administered according to the approved 21-hour NAC protocol.

The primary efficacy endpoint for the study is to compare a dose of Aladote and NAC with a placebo and NAC, with respect to the proportion of patients according to the composite primary endpoint, evaluated after 20 hours of treatment (± 2-hour time window), consisting of a combination of ALT and INR.

Other secondary efficacy endpoints to be measured are the proportion of patients requiring additional NAC treatment and length of hospital stay as well as other biomarkers such as K18 and miR-122.

The first patient is expected to be included in the study during 2022, depending on how the situation with COVID-19 develops.

The planned clinical development program for 2022–2025:

2022	• Start of Pivotal Phase IIb/III study
2023	• Interim analysis
2024/2025	• Application for market approval in the EU and USA
2025	• First launch

The substance patent (calmangafodipir) expires in 2032.

Regulatory process for Aladote

Aladote was granted Orphan Drug Designation (ODD) by the US Food and Drug and Administration (FDA) in March 2019. It facilitates a path with favorable terms regarding both cost and approval time. The Company also receives dedicated support from the FDA during the drug development period, along with seven years of market exclusivity. The Company previously assessed that the prerequisites did not exist for receiving Orphan Drug Designation for Aladote in the EU due to the high rate of paracetamol poisoning in the UK. The Company has assessed that Aladote does qualify for Orphan Drug Designation in the EU after Brexit and it has a ongoing dialogue with the EMA about possible indication for ODD in the EU. Following interaction with the FDA and the EMA, Egetis has established the development program for Aladote. The plan is for the program to consist of a Pivotal Phase IIb/III - study, which is considered sufficient for being able to apply for market approval in the USA, EU and the UK.

Strategy for commercialization of Aladote®

Egetis intends to launch Aladote with internal resources in Europe and in the USA, via a small and focused commercial organization. In other markets, Egetis may enter into partnerships.

Aladote market and commercialization

Market overview

Overview of the market for antidotes

Aladote belongs to the category of drugs that are used as antidotes in poisoning situations. Antidotes can work in a variety of ways. Some bind the toxic substance so that it cannot be absorbed by the body, while others have a physiological effect that creates a protection or opposite effect compared to the toxic substance. Antidote treatment can be life-saving for the victim in certain severe poisonings. Aladote is being developed as an antidote to paracetamol poisoning. Examples of other poisonings where antidotes are required are poisonings with methanol, ethylene glycol, cyanide and digitalis as well as snake bites. The antidotes that are particularly important in the initial care of patients suffering from some sort of poisoning are stored in special antidote inventories at the emergency hospitals. The drugs to be stored in these antidote inventories are decided in most countries by expert groups that provide clear national guidelines. The emergency hospitals then follow these guidelines, which means that it is possible to commercialize antidotes cost-effectively. Traditional commercialization of medicines requires sales and marketing activities for the dissemination of information to a large number of hospitals and doctors. Antidote commercialization does not require such extensive resources, but is primarily focused on ensuring that the expert group receives the information they need to be able to make a decision on the inclusion of the antidote in the national guidelines. This centralized control of antidote use also means that it is possible to achieve a broad use of a new antidote soon after market introduction. The sales revenue then primarily depends on the number of poisonings and the price of the antidote treatment.

Saves lives and reduces healthcare costs

The cost of treating paracetamol-poisoned patients is very high because they require intensive care and in some cases, liver transplantation is the only option to save the patient's life. In a study published in 2015, it was shown that the intensive care cost of a paracetamol-poisoned patient in the United States was in the range of USD 13,000-40,000 and the cost of liver transplantation was in the range of USD 125,000-473,000. A treatment that could eliminate late-onset cases of poisoning would have a great potential to save lives and also result in societal benefits due to the lower healthcare costs.

Addressable market

N-acetylcysteine (NAC) is currently available as a treatment for paracetamol overdose, but it does not work satisfactorily for high-risk patients exposed to high doses of paracetamol or those seeking treatment more than eight hours after an overdose. As far as we know, there are no pharmaceutical companies other than Egetis developing drugs for the treatment of these patients. Accordingly, Aladote could, without competition, meet the need for better treatments for these high-risk patients, provided that clinical studies deliver positive data. The use of paracetamol differs from one country to the next, which means that the number of poisonings also varies. Based on the market research and literature reviews conducted, the number of hospital admissions for paracetamol poisoning is estimated at more than 175,000 annually in the United States, Europe and other countries with Western healthcare systems (RoW, Rest of World). All of these patients could theoretically benefit from Aladote treatment and in approximately 40% of cases, treatment with NAC alone is not deemed sufficient.

Pricing

A treatment that could eliminate late-onset cases of poisoning would have a great potential to save lives and also result in societal benefits due to the lower healthcare costs. Based on early market research with doctors and payers in the USA and EU3 (Germany, France and the UK), the price for a treatment of Aladote was estimated at USD 5,000. Drug prices vary from one country to the next, which means that ultimately, the price of Aladote will depend on the benefit that the treatment offers, which is based on study results. Although antidote treatments are usually administered as a single dose or a few doses, the price potential for antidotes can be relatively large with examples of drug prices around USD 50,000 per treatment.

Potential annual sales in excess of USD 350 million and commercialization with good profitability

With an assumed theoretical average price of at least USD 5,000 per treatment, an addressable population in excess of 175,000 potential patients and a market penetration of 40%, the annual sales will exceed USD 350 million. Thanks to the centralized control of antidote use, it is possible to achieve rapid market penetration with relatively limited sales and marketing efforts, which speaks in favor of cost-effective commercialization with good profitability. Egetis intends to launch Aladote with internal resources in Europe and in the USA, via a small and focused commercial organization. In other markets, Egetis may enter into partnerships.

ORPHAN DRUGS AND MARKET EXCLUSIVITY

What are Orphan Drugs?

In several important markets, such as in the EU/EEA and the USA, there is a special regulation regarding drugs that are intended for rare and life-threatening or severely disabling disease conditions. These are called Orphan Drugs. The purpose of Orphan Drug Designation is to encourage the development of drugs for rare diseases and small patient groups. Once clinical studies have been completed, and the regulatory authority has approved the application for approval, it then considers whether the prerequisites for Orphan Drug Designation have been met.

Developing a drug with Orphan Drug Designation entails several benefits for a company, including the opportunity to receive free advice on the development program from the FDA and EMA and that the company pays lower registration fees when applying for approval of the drug. The cost of taking an orphan drug through a Phase III program is, on average, about half the development cost of a drug that is not targeted at rare diseases and small patient groups. If a drug that is classified as an orphan drug is approved by, for example, the FDA or the EMA, the respective authority may decide that the drug should be granted Orphan Drug Status. A drug with Orphan Drug Status is protected by market exclusivity for seven years in the USA and ten years in the EU. Rare disease (required for Orphan Drug Designation) are defined in different ways, depending on the market:

- **USA:** Occurrence <200,000 patients (<6 per 10 000 on the basis of population in the USA of 328 million)
- **EU:** Occurrence <5 per 10,000 (<220,000 patients on the basis of population in the EU of 447 million)
- **Japan:** Occurrence <50,000 patients (<4 per 10,000 on the basis of population in Japan of 126 million)

The drug candidate Emcitate has obtained Orphan Drug Designation in the USA and Europe and the drug candidate Aladote has obtained Orphan Drug Designation in the USA. The Company has assessed that Aladote does qualify for Orphan Drug Designation in the EU after Brexit and it has a dialogue with the EMA about possible indication for ODD in the EU.

PATENTS AND BRANDS

Intellectual property rights, market protection via orphan drug status and patents, are very important to the Company's operations. Egetis has an active patent strategy to protect calmangafodipir (active substance in Aladote) and current and future drug candidates containing calmangafodipir as an active drug substance. The strategy has been developed in close and long-term collaboration with the external US patent attorneys that the Company has engaged. Emcitate and the active substance tiratricol are not covered by any valid patents, which means that there is no patent protection against competitors who develop and commercialize an identical or similar product. The Company is thus dependent upon other types of protection, such as ODD and/or data exclusivity.

The brands *Emcitate* and *Aladote* are registered in, among others, Europe and the USA.

The Company's strategy is to strive to obtain widespread patent protection in part through patents that protect the specific active substance or drug candidate and in part through patents with a broader scope concerning the concept or treatment methods, or, via market protection for ODD. The Company is also striving to obtain widespread geographic patent protection in the jurisdictions assessed as being the main markets for the Company's drug candidates, which includes important markets like the USA, China, Japan, France, Spain, Italy and the UK. The Company is actively striving to strengthen the patent protection for its current and future drug candidates. Egetis closely monitors developments regarding its intellectual property rights in all relevant areas, as well as the competing technologies and companies.

The Company has a patent portfolio containing granted patents and ongoing patent applications in five different patent families (a patent family is a group of patents and patent applications in various countries that have the same origin). One of the Company's most important patent families (patent family 3) is a substance patent for calmangafodipir, which is the active drug substance in Aladote. The Company's other patent families cover various concepts and treatment methods for the purpose of expanding patent protection for the Company's product candidates. Patent families 2, 3 and 5 are relevant for Aladote.

PATENT	EXPIRATION	COUNTRY										
		AU	CA	CN	EU	IN	JP	KR	MX	RU	US	ZA
2. Pharmaceutical compositions and therapeutic methods employing a combination of a manganese complex compound a non-manganese complexed form of the compound	2030	✓	✓	●	✓	✓	✓	✓	✓	✓	✓	✓
3. Calmangafodipir, a new chemical entity, and other mixed metal complexes, methods of preparation, composition, and methods of treatments	2032	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	●
4. Cancer treatment methods	2033	●	●	●	●	●	●	●	✓	●	●	●
5. Methods and formulations for treatment of acute liver failure and other hepatotoxic conditions	2037	●	●	●	✓	●	●	●	●	●	✓	●
Brands												
Aladote				✓	✓					✓	✓	
Emcitate		✓		✓	✓	✓	✓			✓	✓	

COUNTRY CODES - AU: Australia, **CA:** Canada, **CN:** China, **EU:** Germany, France, UK, Italy, Spain, Sweden, **IN:** India, **JP:** Japan, **KR:** South Korea, **MX:** Mexico, **RU:** Russia, **US:** USA, **ZA:** South Africa

✓ Approved ● Published application

COMPETENT AND EXPERIENCED ORGANIZATION

Egetis Therapeutics has a small, highly competent and experienced organization, with a knowledge-intensive network.

It has innovative and integrated orphan drug development expertise that is focused on bringing drug candidates to market approval and commercialization.

Solid expertise in the entire drug development chain

The Company has solid expertise throughout the entire value chain, from early clinical development to what is required for successfully seeing drug candidates through registration and commercialization. In 2021, we intensified the study activities, devoting more resources to clinical drug development. The Company's staff has extensive experience in pre-clinical and clinical drug development, regulatory affairs (which includes the FDA (USA), EMA (EU), MHRA (UK) and PMDA (Japan)), financing, Chemical Manufacturing and Controls (CMS) Management, planning and project management of clinical studies, purchasing, project management & collaboration with partners such as Active Pharmaceutical Ingredient (API) manufacturers, Contract Research Organization (CRO) and patents.

In 2022, to facilitate a future launch of Emcitate in North America and Europe we will gradually be preparing to set up a commercial organization. We will keep this part of Egetis relatively small and streamlined, with around 50 employees by the time of the launch.

At year-end, Egetis Therapeutics had 12 employees (7 women and 5 men).

An organization with clear values

There is a strong organizational culture at Egetis Therapeutics to challenge the status quo in a way that benefits our patients. We have an open, positive and supportive culture where everyone can reach their true potential. Our decision processes are efficient and we have a work climate that fosters trust and collaboration. Our leadership and employeeship are firmly grounded in our values, which we call the *Triple C*:

Courage
We challenge the status quo for the benefit of the patient.

Commitment
We operate with high ethical standards through an efficient organization to deliver top quality results.

Collaboration
Through trust, we work seamlessly across functions and with external partners.

Importance of partnership agreements

As a small pharmaceutical company, having quality partnership agreements in place is an important prerequisite for running development projects. To attract such partners, effort is expended on building good relationships and creating motivation.
Below are examples of some of our partners:

- Recipharm, manufacture of formulated product
- Dottikon, API manufacturing
- Cenexi, manufacture of formulated product
- Porter, Wright, Morris & Arthur, patent attorney and legal partner USA

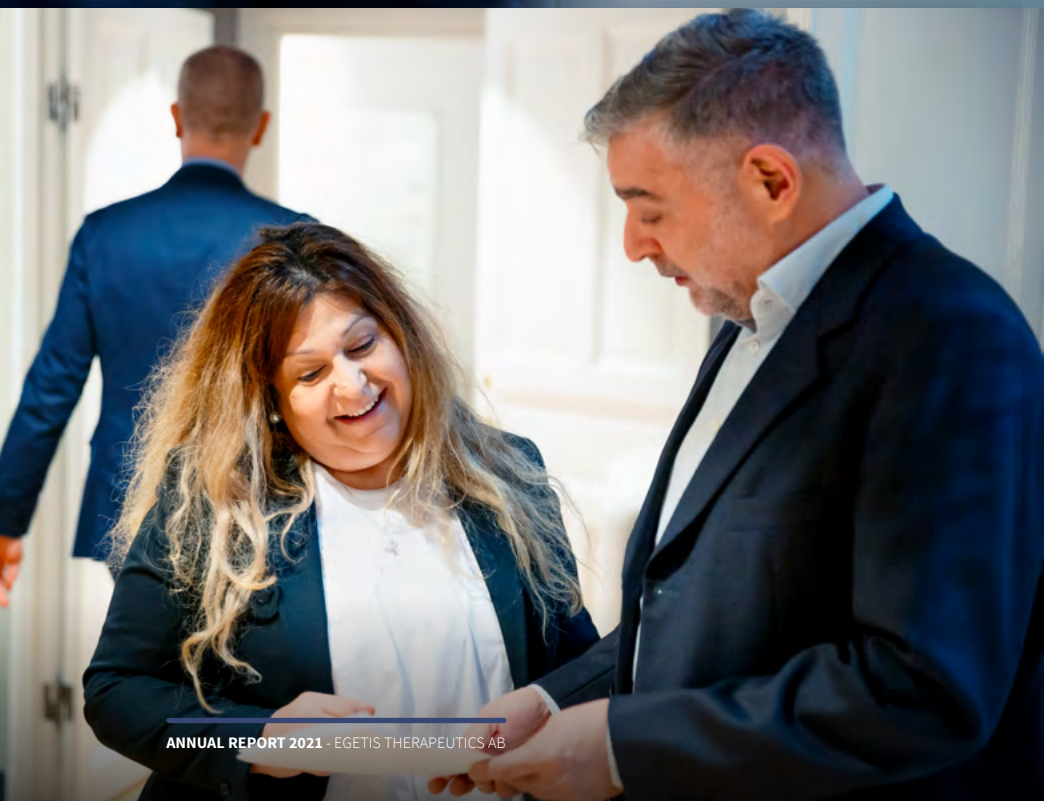
Strategic partnerships and licensing agreements

Strategic partnerships are also in place with various other experts and partners. The Emcitate project has a long-standing and close collaboration with Erasmus Medical Center (EMC) in Rotterdam, the Netherlands and Assoc. Professor Edward Visser, who is one of the world's leading researchers on thyroid hormone signaling. Collaboration involves, among others, a licensing agreement whereby RTT has obtained an exclusive license to EMC's data and know-how in this area (including data from clinical studies). EMC is entitled to compensation in the form of a milestone payment when RTT receives the first market approval for a drug with tiratricol as the active substance of a regulatory authority. EMC is also entitled to a royalty corresponding to 10% of the net sales of the product. Additionally, EMC will be involved in the implementation of the planned clinical trial of Emcitate. In the Aladote project, Egetis has a strategic partnership with Professor James Dear, a leading international expert in the treatment of paracetamol poisoning. Prof. Dear has been the trial leader for the Proof of Principle Phase Ib/IIa study conducted at the Royal Infirmary of Edinburgh hospital and The Queen's Medical Research Institute at the University of Edinburgh.

Scientific advisors

For ongoing medical and scientific expertise for the pharmaceutical projects, Egetis has established strategic collaborations by establishing Advisory Boards, which consist of internationally well-qualified experts. The purpose is to provide Egetis with guidance in strategy and the design of, among other things, clinical studies. The goal of the councils is to help optimize the potential of drug candidates and maximize the likelihood of a market approval.

Emcitate
Assoc. Professor Edward Visser, MD, PhD
Endocrinologist and Head of the Rotterdam Thyroid Centre at Erasmus Medical Center, Rotterdam, the Netherlands. Educated at Erasmus University, Rotterdam, and Addenbrookes Hospital, University of Cambridge, UK. Researches on thyroid hormone signaling in healthy and sick individuals, with specific interest in rare thyroid diseases such as MCT8 deficiency. Has published >80 peer-reviewed scientific articles and is a member of several editorial boards for endocrinological journals. Principal investigator for the Triac Trial II study.



Professor Andrew J. Bauer, MD
Medical Director of Pediatric Thyroid Center at Children's Hospital of Philadelphia, USA. Solid clinical and research experience in thyroid disease in children. Published more than 120 peer-reviewed and review articles. Coordinator for the Child and Adolescent Thyroid Consortium. Chair of the American Thyroid Association's pediatric thyroid nodule and thyroid cancer guidelines..

Professor Stephen H. LaFranchi, MD
Pediatrician and endocrinologist at Oregon Health & Science University, Portland, Oregon, USA. Specialist in thyroid diseases and other hormonal disorders in children. Consultant for Oregon Newborn Screening Program. Principal investigator of the Triac Trial II study.

Aladote

Richard C. Dart, MD
Physician specializing in emergency medicine and toxicology in the United States, responsible for the Rocky Mountain Poison and Drug Center and CEO of RADARS (Researched Abuse, Diversion, Addiction-Related Surveillance System). He has won several awards and serves as assistant editor of the medical journal Annals of Emergency Medicine and is Vice President of the American Association of Poison Control Centers.

Professor James Dear
M.D. and Professor of Clinical Pharmacology, University of Edinburgh. Several awards, such as winner of the Grahame-Smith Prize for Clinical Pharmacology and the Rosetrees Trust Interdisciplinary Prize. Specialist in paracetamol overdosing.

Professor Laura James
Associate Vice Chancellor for Clinical and Translational Research; Professor of Pediatrics at the University of Arkansas for Medical Sciences (UAMS) and Arkansas Children's Hospital System. Prof. James is Head of the Translational Research Institute at UAMS, with more than 20 years of experience in clinical pharmacology and toxicology. She and colleagues developed Acetaminophen Toxicity Diagnostics, LLC in 2006 to develop a rapid assay for the detection of paracetamol poisoning.

RISKS AND RISK MANAGEMENT

Egetis Therapeutics' operations are exposed to risks that may affect the operations, earnings or financial position. The management of these risks is important for Egetis Therapeutics to be able to implement its strategy and achieve the financial goals. Egetis Therapeutics has a model for risk management that is in accordance with policies adopted by the Board that are aimed at identifying, controlling and minimizing the risks. Egetis Therapeutics strives to manage the risks that can be controlled by identifying, assessing and introducing controls, and for risks that cannot be controlled, monitoring and reducing them to the extent possible.

Below is a description of the risks that Egetis Therapeutics has identified as important risks to monitor.

Strategic and Operational risks

Develop pharmaceuticals until the application for market approval

Egetis Therapeutics' strategy is to develop drug projects in the clinical phase until market approval, with a special focus on orphan drugs for the treatment of rare diseases with great medical need. The Company's value is linked to the potential of the Company's drug development projects and the Company's future value development is highly dependent on the drug candidates under development receiving market approval and being able to be commercialized successfully. Developing a new drug up to and including the application for, and approval of, registration is a capital-intensive, complicated and risky process where significant financial resources are invested in products and projects that may never lead to an approved drug. Only a small number of the drug candidates that are subject to preclinical and clinical development will become an approved product that can be launched on the market. The probability of successfully reaching the market increases as the project advances through the drug development phases in the market. However, the risks remain significant right up to and including results from clinical Phase III, at the same time as costs increase at a quicker pace when the project undergoes the later clinical phases. The Company may decide to discontinue the development of a drug candidate due to the fact that it cannot be demonstrated that the drug candidate has the intended effect or that it does not have an accepted safety profile. The Company's development projects may also become less attractive to complete due to the success of product development conducted by the Company's competitors. There is a risk that the Company's pharmaceutical projects will be discontinued in both early and late development phases and that the Company's drug candidates reach the stage of final development such that they cannot be launched on a commercial market. If the development of one or more of the Company's drug candidates is interrupted, this may result in a serious deterioration of the Company's ability to generate revenue, or that it cannot generate any revenue at all. If the Company's drug projects are discontinued, there is thus a risk that Egetis Therapeutics will not be able to continue its operations in their current form or that Egetis Therapeutics will, ultimately, have to discontinue its operations.

Market approval and regulatory requirements

There is a risk that relevant authorities do not approve the drug candidates developed by the Company or its partners and that these products can therefore not be launched, which would mean that the Company's ability to generate revenue would be significantly impaired. The authorities may also require extended studies and additional documentation of a drug candidate before the approval is granted or they may put conditions on the approval of the follow-up studies being carried out after the drug has been launched. Such requirements can lead to significantly increased costs and delays in projects or even closure of projects due to unmanageably high development costs.

If Egetis Therapeutics does not comply with the regulations applicable to the development of drugs or, with regard to any future approved products, sales and marketing of drugs, the Company may be subject to sanctions from authorities in the form of, for example, penalty fees and operating restrictions. Furthermore, the Company may be forced to prematurely terminate clinical studies. Deficiencies in regulatory compliance may also impair the Company's reputation and adversely impact demand for the Company's products.

Furthermore, the regulations and requirements that apply to Egetis Therapeutics' operations may change over time, which may mean that the Company would need to take extensive measures in order to ensure that relevant regulations are complied with. There is also a risk that the Company will not succeed in living up to the changed requirements. Changes in regulations may thus entail increased costs for the Company and make it more difficult to develop existing and new drug candidates.

Commercialization, competition and market acceptance

Commercialization of the Company's drug candidates can take place, for example, through its own small and focused commercial organization in the orphan drug segment (Emcitate and Aladote) for the USA and Europe, alternatively through collaborations or by outlicensing the rights to a third party or by selling all rights linked to the drug candidate. The Company does not currently have such a commercial organization of its own, and both time and resources will be required to build up such an organization prior to a possible commercial launch of the Company's drug candidates.

In order for Egetis Therapeutics to be able to commercialize its pharmaceutical products in a successful manner, the Company is dependent on the products gaining market acceptance among physicians, trade associations or other players in the medical world. If demand for the Company's products is low, the Company's ability to generate revenue may significantly deteriorate.

There is also a risk that the Company's competitors develop products that are more efficacious, safer and/or cheaper

than the Company's drug candidates, which may impair the Company's competitiveness and reduce the demand for the Company's drug candidates, resulting in significant deterioration in the company's ability to generate revenue.

The drug candidate Emcitate and the active substance tiratricol are not covered by any valid patents. The Company will thus be dependent on protection in the form of orphan drug status and/or data exclusivity in order to achieve a favorable competitive situation in the market.

Egetis Therapeutics is a small company, which means that the Company's competitors may have access to greater financial, technical and human resources than Egetis Therapeutics. Competitors may therefore have better conditions for conducting clinical development and processes for regulatory approval and thereby launch competing products faster than Egetis Therapeutics. Competitors may also have higher manufacturing and distribution capacity and better conditions for selling and marketing their products than Egetis Therapeutics and its partners. This may mean that products developed by the Company's competitors gain an advantage in the market. If the Company and/or its partner(s) are not able to compete effectively in the market, the Company's ability to generate revenue may be significantly impaired.

Intellectual property protection
Egetis Therapeutics' ability to succeed is largely dependent on the Company's ability to obtain intellectual property protection, primarily patent protection, orphan drug status and/or data exclusivity, in strategically important markets such as the USA, EU, Japan and China.

The preconditions for patent protection of medical and medical device inventions are generally difficult to assess and cover complex legal and technical issues. There is a risk that Egetis Therapeutics will develop products that cannot be patented, that filed patent applications will not lead to granted patents or be granted with a limited scope of protection, that granted patents will not be enforceable or that granted patents will not provide sufficient protection for Egetis Therapeutics products. Furthermore, objections or other invalidity claims against patents granted to Egetis Therapeutics may be made after the approval of the patents. There is also a risk that granted patents will not entail a competitive advantage for the Company's products or that competitors will be able to circumvent the Company's patents.

If patent protection for the Company's drug candidates is weakened, questioned or not considered strong enough, it may make it less attractive to develop and commercialize the Company's drug candidates, which may affect the Company's opportunities to enter into agreements with commercial partners, significantly impair the Company's ability to generate revenue and affect the Company's ability to raise capital.

The drug candidate Emcitate and the active substance tiratricol are not covered by any valid patents. The Company will thus be dependent on protection in the form of orphan drug status and/or data exclusivity in order to achieve a favorable competitive situation in the market. Emcitate was granted Orphan Drug Designation in the EU by the EMA in 2017 and in the USA by the FDA in 2019. Orphan drug status is intended to encourage the development of drugs for rare diseases and small patient groups, including by, for example, offering tax reductions/exemptions for development costs and market exclusivity for a certain period after a candidate has been approved, for example up to seven years of market exclusivity in the USA and ten years of market exclusivity in the EU. Orphan drug status can thus be very beneficial for the development and launch of a new drug product.

There is a risk that the orphan status of Emcitate and/or Aladote will be revoked by the relevant regulatory authority if the conditions required for granting this status are no longer deemed as being met. A recall could, for example, happen because a competing product is proven to be clinically superior and/or safer or as a result of new data or scientific information. The orphan drug status would then be re-evaluated if the Company applies for market approval for the drug candidate. If the orphan drug status is revoked, the Company would no longer receive the benefits associated with such status, which might impair the Company's prospects for successful development and commercialization of Aladote and Emcitate, for example as a result of increased competition due to lack of market exclusivity.

Production
In order for Egetis Therapeutics and its partners to be able to carry out clinical trials regarding the Company's drug candidates, access to the drug is required in sufficient quantity and of the required quality. The Company does not have its own production, which means that the Company is dependent on contract manufacturers and subcontractors for the production of the amount of trial drugs needed for carrying out clinical trials. These products are subject to strict quality requirements, such as good manufacturing practice (GMP) and good distribution practice (GDP). There is a risk that the contract manufacturers hired by the Company will not deliver on time or in accordance with the quality requirements that follow from the parties' agreements or applicable laws and regulations, which may entail delays and/or increased costs for the Company's clinical trials (GDP).

External risks

IT systems and IT security
Egetis Therapeutics is dependent on the efficient and uninterrupted operation of various IT systems to run its business. A significant breakdown or other disruption in the IT systems (for example as a result of a virus attack or network congestion attacks) can affect the ability to conduct business in general, and can lead to delays and increased costs in the Company's research and development work. The Company is also dependent on maintaining a high level of information

security to ensure that the Company's information can be kept confidential and not used by unauthorized persons. There is a risk that unauthorized persons will gain access to the Company's information through data breaches. There is also a risk that employees and other partners will not act in accordance with the Company's instructions and guidelines to maintain adequate IT and information security.
Deficiencies in the Company's IT and information security may result in the Company violating commitments and obligations in accordance with applicable laws and regulations (for example, applicable data protection legislation) or agreements that the Company has entered into. Such deficiencies may have consequences in the form of sanctions and liability for damages. It could also damage the Company's reputation.

COVID-19
In order for the Company to be able to plan clinical studies, it needs to recruit participants. Because of COVID-19, there is a risk that the Company will not be able to recruit participants to its clinical studies, that healthy participants will not want to, or that because of the restrictions they should not be visiting hospitals in order to avoid infection. There is a risk that new variants of the corona virus cause shut-downs in Sweden or other countries, which could lead to the Company or its partners not being able to run R&D work in accordance with the existing clinical development plan. There is also a risk that caregivers will need to allocate resources to various corona virus initiatives, which could then limit the resources for participating in the Company's clinical trials. If, because of corona virus, the Company or its partners, are unable to continue running R&D work in accordance with the existing clinical development plan, it could hinder the Company's ability to carry out operations at the rate that has been planned, which could further delay commercialization of the Company's products. This, in turn, could result in a partial or total loss of revenue, along with higher costs, which would have a negative impact on the Company's earnings.

Organization and staff availability
Egetis Therapeutics is a small company that is highly dependent on senior executives and other key personnel who possess competence and experience that is of significant importance to the Company. It is also crucial for Egetis Therapeutics' future development that a high level of competence can be secured into the future as well, by attracting and retaining qualified employees. There is fierce competition for experienced staff within the Company's business area and many of Egetis Therapeutic's competitors have significantly greater financial resources than the Company, which may lead to the required staff not being recruited, or it only being possible to recruit them on terms that are sub-optimal for the Company. If the Company were to lose key personnel or if the Company could not continue to retain and recruit qualified employees in the future, this could lead to delays or interruptions in the Company's projects, as well as increased costs.

External elements
In 2021, escalating tension between Russia and Ukraine led to Russia's full-scale military invasion of Ukraine. A continuation and/or further escalation of the conflict could have a significant negative impact on the global macroeconomic situation and the Swedish economy. It could result in the Company or its partners not being able to run R&D work according to plan.

Financial risks
Egetis Therapeutics has identified the following two financial risks as critical to the Company. More information on financial risks can be found in Note 3 in the consolidated financial statements.

Capital requirements, fluctuations in earnings and non-recurring sources of revenue
The Company has no approved products on the market and therefore receives no or limited income from product sales. Until a possible commercial launch of the Company's drug candidates occurs, the Company's main revenues are expected to consist of license revenues and other payments in accordance with current and possible future agreements with partners. Licensing and cooperation agreements can entail a right to significant one-off remuneration, for example in connection with entering into an agreement or if defined milestones are achieved. Such revenue should not, however, be regarded as regularly recurring revenue, since it typically is only paid on one or a couple of occasions, based on pre-determined targets. The Company's operations are thus of such a nature that it does not have a steady inflow of revenues, which means that the Company's revenues and earnings may vary significantly from one period to the next. With the exception of the first quarter of 2019 (milestone payment from Solasia of approximately SEK 49 million), Egetis Therapeutics has reported a negative operating profit since the start of operations and cash flow from operating activities is expected to be predominantly negative until Egetis Therapeutics generates recurring income from product sales. It is thus necessary for the Company to finance its operations in other ways than through cash flow from operating activities. Egetis Therapeutics will therefore continue to require significant capital to implement the clinical development of the Company's drug candidates at the pace and extent that the Company considers it to be in the interests of the Company and its shareholders.

Exchange rate fluctuations
Egetis Therapeutics is headquartered in Sweden and the reporting currency in the Company's accounts is SEK. Egetis Therapeutics conducts operations internationally and it makes purchases for significant amounts, mainly in EUR and SEK. Egetis Therapeutics' main revenues have thus far consisted of licensing revenue in accordance with the Company's agreement with Solasia. This revenue was received in JPY. Egetis Therapeutics' operating expenses are primarily in EUR, CHF and SEK, but there are also some expenses in USD. Currency flows in connection with the purchase and sale of goods and services in currencies other than SEK give rise to transaction exposure.

SHARES

Egetis Therapeutics' share is listed on Nasdaq Stockholm's main market listing (STO: EGTX). At year-end 2020, the share capital in Egetis Therapeutics amounted to SEK 8,687,822 allocated across 165,068,560 shares with a quotient value of SEK 0.05. All shares entitle the holder to one vote each. The number of shareholders were 6,895 as of December 31, 2021. The 20 largest shareholders owned 71.3% of the number of shares.

Stock option plan and warrant programs

The average price for ordinary shares was below the exercise price for all warrants during the period, which is why no dilution effect has been reported. Full utilization of granted options and warrants would increase the shares with 10,513,600 to a total of 175,582,160.

Stock option plan 2021/2025

The 2021 AGM resolved to set up a stock option plan, 2021/2025 for employees of Egetis Therapeutics AB for 5,000,000 stock options. Of that amount, 4,900,000 of the stock options had been allocated to employees as of 31 December 2021. In order to secure the delivery of stock options and future estimated social security contributions in conjunction with exercising the options, the Egetis Therapeutics subsidiary, Egetis Therapeutics Incentive AB, subscribed for 6,571,000 warrants.

Stock option plan 2020/2024

The 2020 AGM resolved to set up a stock option plan for employees of PledPharma (previous company name for Egetis Therapeutics AB) for 3,000,000 stock options. Of that amount, 2,900,000 of the stock options had been allocated to employees as of 31 December 2021. In order to secure the delivery of stock options and future estimated social security contributions in conjunction with exercising the options, the Egetis Therapeutics subsidiary, PledPharma I AB (the previous company name for Egetis Therapeutics Incentive AB), subscribed for 3,942,600 warrants.

Share price growth

During the year, the share price fell by 18% and the last recorded price paid in 2021 was SEK 6.71 (7.47). It corresponds to market capitalization of SEK 1,108 (1,233) million. The year's highest closing price for Egetis Therapeutics' share was SEK 8.66 recorded on January 8, 2021. The lowest was SEK 5.28, recorded on 30 August 2021.

Trading volume

The trading volume was approximately 151 million Egetis Therapeutics shares in 2021. Each trading day, an average of 598,277 (322,643) shares were traded, corresponding to a value of SEK 3.9 (2.1) million.

Dividends

Egetis Therapeutics is in a phase where clinical development of drug candidates is prioritized, which is why no dividends are expected to be paid out over the coming years.

Analysts who follow Egetis Therapeutics

ABGSC, Adam Karlsson
Carnegie, Ulrik Trattner
Pareto Securities, Dan Akschuti
Redeye, Kevin Sule
Rx Securities, Joseph Hedden

Share capital growth

Year	Event	Change in number of shares	Change in share capital, SEK t	Total number of shares	Total share capital, SEK	Quotient value per share, SEK
2006	New formation	100,000	100,000	100,000	100,000	1.00
2007	New share issue	88,000	88,000	188,000	188,000	1.00
2008	New share issue	18,800	18,800	206,800	206,800	1.00
2009	New share issue	25,850	25,850	232,650	232,650	1.00
2010	New share issue	68,666	68,666	301,316	301,316	1.00
2011	Bonus issue	-	301,316	301,316	602,632	2.00
2011	New share issue	46,813	93,626	348,129	696,258	2.00
2011	Split	12,880,773	-	13,228,902	696,258	0.05
2011	New share issue	7,018,873	369,414	20,247,775	1,065,672	0.05
2013	New share issue	1,687,314	88,806	21,935,089	1,154,478	0.05
2014	New share issue	1,687,314	88,806	23,622,403	1,243,284	0.05
2014	New share issue	4,724,480	248,657	28,346,883	1,491,941	0.05
2015	New share issue/TO	42,000	2,211	28,388,883	1,494,152	0.05
2016	New share issue	20,277,773	1,067,252	48,666,656	2,561,404	0.05
2019	New share issue	4,866,665	256,140	53,533,321	2,817,544	0.05
2020	Non-cash issue	63,773,345	3,356,493	117,306,666	6,174,038	0.05
2020	New share issue	9,523,809	501,253	126,830,475	6,675,291	0.05
2020	New share issue	38,238,085	2,012,532	165,068,560	8,687,822	0.05

Ten largest shareholders as of 31 December 2021

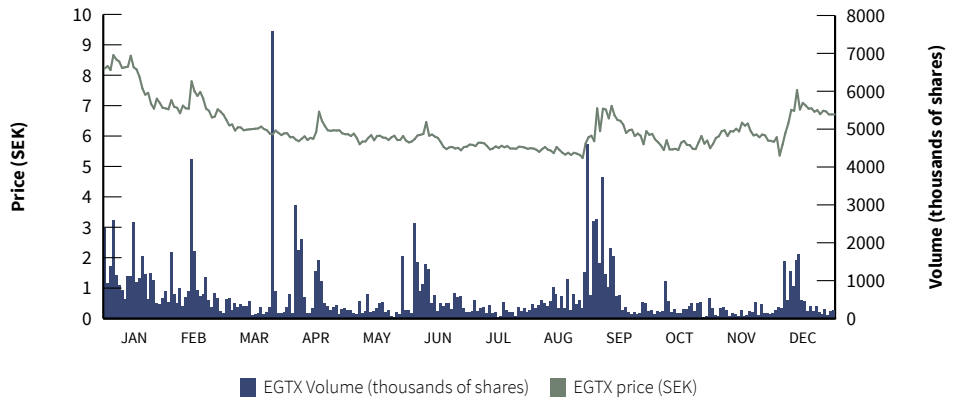
Shareholders	Number of shares	Share of equity and votes
Cetoros AB	31,858,414	19.3%
Peter Lindell (himself and via company)	17,124,820	10.4%
Avla Holding AB	16,572,442	10.0%
Fourth Swedish National Pension Fund (AP4)	14,311,300	8.7%
RegulaPharm AB	9,846,730	6.0%
Avanza Pension	4,406,802	2.7%
Flerie Invest AB	2,953,462	1.8%
Carl Rosvall	2,707,914	1.6%
Mats Blom	2,257,512	1.4%
Unionen	2,120,165	1.3%
Total 10 largest	**104,159,561**	**63.1%**
Other	60,908,999	36.9%
Total	**165,068,560**	**100.0%**

Size classes as of 31 December 2021

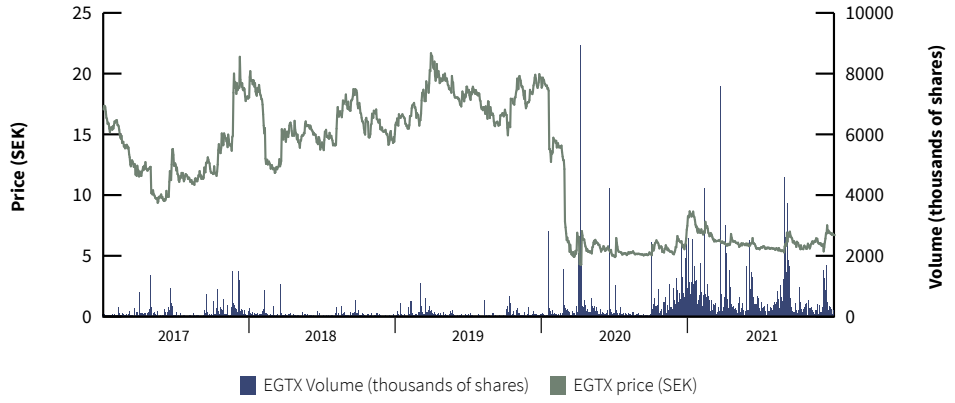
Shareholders	Equity & Votes	Number of shares
500-1,000	0.02%	34,881
1,001-2,000	0.03%	48,573
2,001-5,000	0.10%	160,534
5,001-10,000	0.21%	344,471
10,001-20,000	0.23%	379,155
20,001-50,000	0.39%	650,062
50,001-100,000	0.44%	730,673
100,001-500,000	4.68%	7,717,465
500,001-1,000,000	3.52%	5,802,426
1,000,001-5,000,000	16.35%	26,992,378
5,000,001-10,000,000	5.97%	9,846,730
10,000,001 -	48.38%	79,866,976
Anonymous ownership	19.69%	32,494,236
Total	**100.00%**	**165,068,560**

Source: Monitor (Modular Finance)

Egetis Therapeutics share price evolution 2021



Egetis Therapeutics share price evolution 2017-2021



CORPORATE GOVERNANCE REPORT

Egetis Therapeutics AB ("Egetis Therapeutics" or "the Company") is a Swedish public limited liability company with registered office in Stockholm (STO: EGTX). The Company's share is listed on Nasdaq OMX Stockholm and was traded under the ticker PLED from 31 October 2019 to 17 December 2020 and thereafter under the ticker EGTX. Corporate governance within Egetis Therapeutics is based on applicable laws, rules and recommendations, such as the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm's regulations for issuers, Egetis Therapeutics' Articles of Association and internal policies and guidelines. The Company also applies the Swedish Code of Corporate Governance (the "Code").

The purpose of corporate governance within Egetis Therapeutics is to create a clear allocation of roles and responsibilities between owners, board and management.

Regulations and compliance

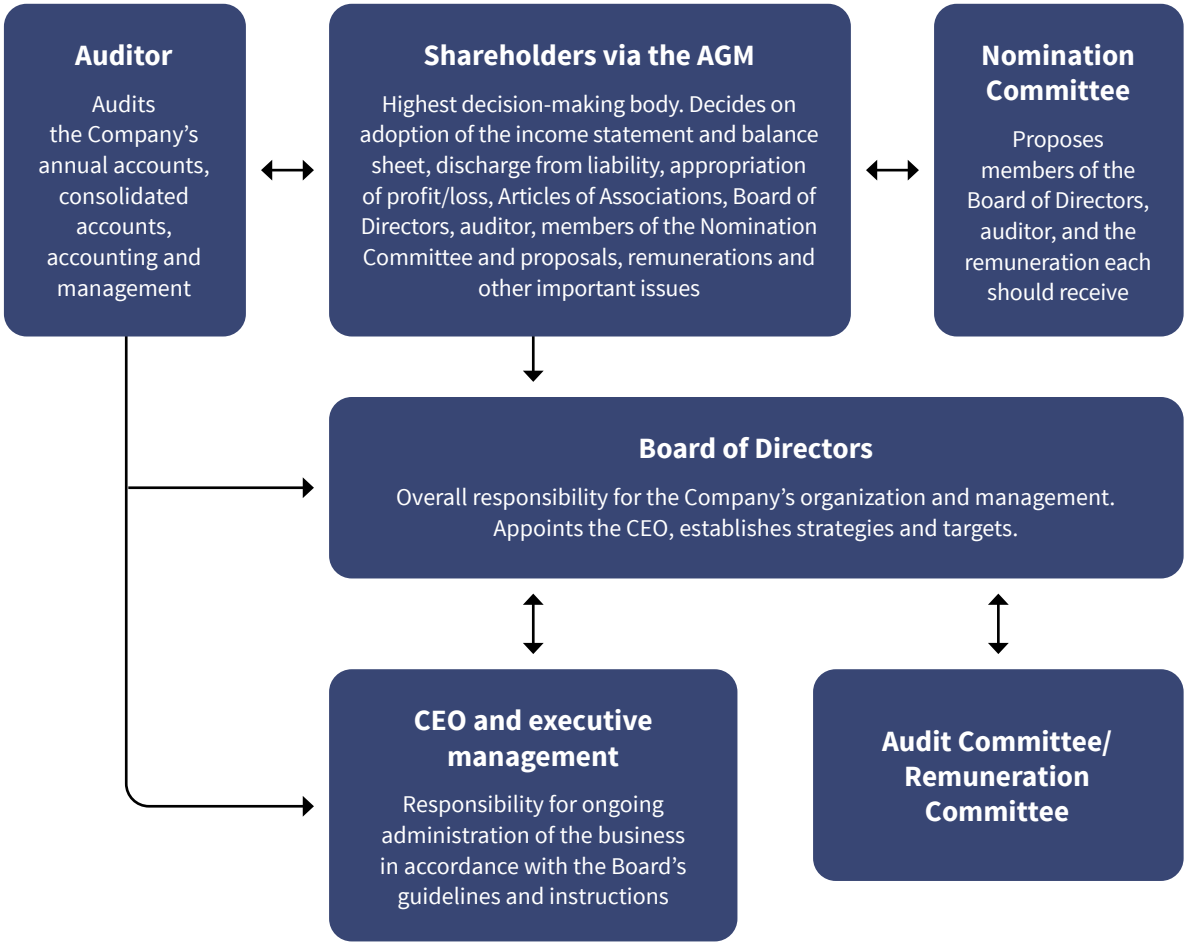
Important external regulations

- Swedish Companies Act
- Annual Accounts Act
- Accounting legislation and recommendations
- Nasdaq OMX Stockholm's regulations for issuers
- Swedish Code of Corporate Governance (http://www.bolagsstyrning.se/koden/gallande-kod)

Important internal regulations and documents

- Articles of association
- The Board's Rules of Procedure
- CEO instructions
- Decision procedures/authorization instructions
- Internal guidelines, policies and manuals that provide guidance for the Group's operations and employees, e.g. Egetis Therapeutics' information policy and financial policy.

The purpose of corporate governance within Egetis Therapeutics is to create a clear allocation of roles and responsibilities between owners, board and management.



Compliance with the Swedish Code of Corporate Governance

The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The Company does not have to follow all the rules in the Code as the Code itself provides the possibility of deviating from the rules, provided that such possible deviations, and the chosen alternative solution, are described and the reasons for this are explained in the corporate governance report (according to the "follow or explain" principle). During the year, however, the Company did not deviate from any of the rules prescribed in the Code.

Compliance with the applicable stock exchange rules

There have been no violations of applicable stock exchange rules or of good practice on the securities market.

Shareholders

Egetis Therapeutics shares have been listed on Nasdaq OMX Stockholm since October 31, 2019. The share capital at the end of the year amounted to SEK 8,687,822 allocated across 165,068,560 shares with a quotient value of approximately SEK 0.05 per share. The number of shareholders were 6,895 as of December 31, 2021. The 10 largest shareholders owned 63.1% of the number of shares. The largest shareholders were Peder Walberg via Cetoros AB, whose ownership share amounted to 19.3%, Peter Lindell, whose ownership share amounted to 10.4% and Kennet Rooth via Avla Holding AB, whose ownership share amounted to 10.0%. For more information, see section Egetis Therapeutics share on page 36.

Articles of Association

The Articles of association are decided by the Annual General Meeting and contain a number of mandatory tasks of a fundamental nature for the Company. Among other things, the Articles of association state that the Company's operations shall be directed at research, development, manufacturing and sale of pharmaceuticals and activities compatible therewith. The Articles of association for Egetis Therapeutics also state that the Board shall have its registered office in Stockholm and that it shall consist of at least three and at most nine members. The Articles of association do not contain any special provisions on the appointment and dismissal of Board members. Amendments to the Articles of association are made in accordance with the provisions of the Swedish Companies Act following a decision by the Annual General Meeting. The complete Articles of association are available at www.Egetis.com

Annual General Meeting

In accordance with the Swedish Companies Act, the Annual General Meeting is the Company's highest decision-making body. At the Annual General Meeting, shareholders exercise their voting rights on key issues, such as approval of income statements and balance sheets, appropriation of the Company's earnings, remuneration guidelines for senior executives, granting discharge from liability to the Board and the CEO, election of Board members and auditors and decisions on remuneration. The shareholder who is entered in the share register and has registered to participate in the AGM by the stated deadline is entitled to participate and vote using their shares. The shareholder may also by represented by a proxy at the AGM. Each share entitles the holder to one vote at the AGM. There are no limitations on how many votes each shareholder may exercise at the AGM. Besides the AGM, Extraordinary General Meetings may be held. In accordance with the Articles of association, notice of the AGM shall be published in Post- och Inrikes Tidningar (gazette) and on the Company's website. At the same time as the notice is given, the Company shall, by advertising in Svenska Dagbladet, inform that the notice has been given. Notice of the Annual General Meeting and notice of any Extraordinary General Meeting where the issue of amendments to the Articles of association will be considered shall be issued no earlier than six weeks and no later than four weeks before the meeting. Notice of an Extraordinary General Meeting shall be issued no earlier than six weeks and no later than three weeks prior to the meeting.

2021 Annual General meeting

The Annual General Meeting was held on April 29, 2021 in Stockholm

- The following people were re-elected to the Board of Directors: Gunilla Osswald, Elisabeth Svanberg and Peder Walberg. The following people were newly elected to the Board of Directors: Thomas Lönngren and Mats Blom. Thomas Lönngren was newly elected as Chairman of the Board.
- BDO Mälardalen AB was re-elected as the Company's auditor.
- The income statement and balance sheet for the 2020 financial year were adopted.
- The Board of Directors and CEO were discharged from liability for the 2020 financial year.
- It was resolved that the total amount of fees paid to the Board of Directors would be SEK 1,260,000, of which SEK 600,000 to the Chairman of the Board and SEK 165,000 to each of the other Board members. Remuneration shall be paid to the auditor as invoiced.
- It was resolved to implement a stock option plan, a targeted issue of stock options and approval of transfer of stock options.

- The Board of Directors' proposal for guidelines for remuneration to senior executives was approved.
- The Annual General Meeting resolved to grant the Board the authority to, during the period up until the next AGM decide on an issue of shares. However, the Board does not have the authority to make decisions deviating from the shareholders' preferential rights such that share capital is increased by more than ten (10) percent in relation to the share capital amount the first time that it exercised its authority.

2022 Annual General meeting
The AGM for Egetis Therapeutics AB will be held on Monday, May 30, 2022.

Nomination Committee

The Nomination Committee represents the Company's shareholders and is responsible for creating the best possible foundation for the Annual General Meeting's decision on the election of the Board and Board fees, as well as proposals for auditors and remuneration to them. On April 29, 2021, the Egetis Therapeutics AGM resolved to set up a Nomination Committee for the 2022 AGM. The AGM instructed the Chairman of the Board to contact the three largest shareholders as per Euroclear Sweden AB's printout of the share register as of September 30, 2021 and each of those shareholders shall appoint one member of the Nomination Committee. Besides that, the members of the Nomination Committee are entitled to co-opt the Chairman of the Board to the Nomination Committee if this is deemed desirable.

In the event that any of the three largest shareholders does not wish to appoint a member of the Nomination Committee, the fourth largest shareholder shall be consulted and so on until the Nomination Committee consists of three members. However, if several shareholders waive their right to appoint a member to the Nomination Committee, no more than the ten largest shareholders shall be consulted.

The composition of the Nomination Committee shall be published on the Company's website no later than six months in advance of the next AGM.

The term of office for the appointed Nomination Committee shall extend until a new Nomination Committee has been appointed, in accordance with the mandate from the next Annual General Meeting.

If a member resigns from the Nomination Committee before their work is completed and if the Nomination Committee considers that there is a need to replace this member, the Nomination Committee shall appoint a new member in accordance with the principles above, but based on Euroclear Sweden AB's printout of the share register as soon as possible after that member left their post. Changes in the composition of the Nomination Committee shall be announced immediately.

Tasks and responsibilities of the Nomination Committee
The Nomination Committee shall submit proposals for resolutions on the following issues to the 2022 Annual General Meeting:

a. Election of chairman for the meeting,
b. Determination of number of Board members,
c. Determination of number of Board members,
d. Determination of fees to auditors,
e. Election of Board members and Chairman of the Board,
f. Election of auditors, and
g. Proposal for principles for the composition and work of the Nomination Committee prior to the 2023 Annual General Meeting

When preparing the proposal regarding the election of Board members and the Chairman of the Board, the Nomination Committee shall apply section 4.1 of the Code as its diversity policy. The Nomination Committee shall also, when performing its assigned duties, perform the tasks expected of a nomination committee, in accordance with the Code.

The Nomination Committee's working methods
The Nomination Committee appoints the Chairman of the group. The Chairman of the Board or another Board member may not serve as the Chairman of the Nomination Committee.

The Nomination Committee shall meet as often as is required for the Nomination Committee to be able to fulfill its duties, however, it must meet at least once a year. Notice of a meeting is issued by the Chairman of the Nomination Committee. If a member requests that the Nomination Committee be convened for a meeting, the request shall be complied with.

The Nomination Committee has a quorum if at least two members are present. The Nomination Committee's decision is the opinion for which more than half of the members present vote or, in the event of an equal number of votes, the opinion of the Chairman of the Nomination Committee.

Minutes must be kept of the Nomination Committee's meetings.

Fee

No remuneration shall be paid to the members for their work on the Nomination Committee. The Company shall cover reasonable costs that the Nomination Committee deems necessary for the Nomination Committee to be able to fulfill its duties and responsibilities.

The Nomination Committee for 2022 AGM consists of:

- Kennet Rooth (Chairman) appointed by Avla Holding AB
- Jannis Kitsakis appointed by Fourth Swedish National Pension Fund (AP4)
- Peter Lindell appointed by Cidro Förvaltning AB
- Thomas Lönngren (Chairman of the Board), co-opted

Auditors

The Company's auditor is appointed at AGM. An auditor is responsible for examining a Company's annual report and accounts as well as the administration of the Board and the CEO. Typically, this is done at least twice per year, since at least one interim report, in addition to the annual report, must be examined by the auditor.

Decisions on remuneration to the auditor are made by the Annual General Meeting, based on proposals from the Nomination Committee. At the Annual General Meeting on April 29, 2021, it was decided that fees to the auditor would be paid according to approved invoices.

Board of Directors

Tasks and responsibilities of the Board of Directors

The Board has the ultimate responsibility for the Company's organization and the management of the Company's operations, which must be in accordance with the best interests of the Company and all of its shareholders. Some of the Board's main tasks are to deal with strategic issues regarding the Company's operations, financing, establishments, growth, earnings and financial position and to continuously evaluate the Company's financial situation. The Board shall also ensure that there are effective systems for follow-up and control of the Company's operations and ensure that the nature of the Company's disclosures is transparent, containing correct, relevant and reliable information.

Composition of the Board of Directors

According to the Company's Articles of association, the Board shall consist of at least three and at most nine members, without deputies. The members are normally elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting, but additional Board members may be elected during the year at an Extraordinary General Meeting.

According to the Code, a majority of the Board members shall be independent in relation to the Company and the executive management team. At least two of the members who are independent in relation to the Company and the Company management must also be independent in relation to the Company's major shareholders. In addition, a maximum of one Board member may work in the Company's management or in the management of the Company's subsidiaries.

The Board has made the assessment that all Board members except Peder Walberg are independent in relation to both the Company and the company management as well as major shareholders. Peder is, via Cetoros AB, the Company's largest shareholder. Peder Walberg is also operationally active in the Company on a consulting basis and is therefore not independent in relation to the Company. The composition of the Board thus meets the Code's requirements for independence.

Chairman of the Board

The Chairman of the Board's main tasks are to lead the Board's work and ensure that the Board's work is conducted efficiently and that the Board fulfills its obligations and commitments. Through contacts with the CEO, the Chairman shall continuously receive the information necessary for being able to monitor the Company's position, financial planning and development. The Chairman shall also consult with the CEO on strategic issues and check that the Board's decisions are implemented in an effective manner.

The Chairman of the Board is responsible for contacts with the shareholders in ownership matters and for conveying views from the owners to the Board.

The Board's working methods

The Board follows written rules of procedure that are reviewed annually and adopted at the statutory Board meeting held in connection with the Annual General Meeting. The rules of procedure regulate such things as the Board's working methods, duties and rules of procedure, the duties of the Chairman of the Board, the decision-making procedures within the Company and the allocation of work between the Board and the CEO. Instructions for the CEO and for financial reporting are also established in connection with the statutory Board meeting.

Evaluation of the work done by the Board

The Chairman of the Board evaluates the Board's work once a year via a survey that is distributed and compiled by the Company's CFO. The evaluation covers, for example, matters concerning the collaborative climate, breadth of knowledge and how the Board work has been carried out. The purpose of the Board evaluation is to ensure that the Board's work functions well. The evaluation aims, among other things, to investigate which issues the Board believes should be given greater focus or whether the Board feels that it needs more expertise in some area. The evaluation is carried out annually through questionnaires to the members, which are then presented to the Nomination Committee.

Board committees

The Board has two committees: The Audit Committee and the Remuneration Committee.

Audit Committee

During the period July 30, 2020 through April 29, 2021, all of the Audit Committee's tasks were done by the Board. The Company may, from time to time, decide to re-establish an Audit Committee. The Board decided on April 29, 2021 to re-establish an Audit Committee, which will consist of two Board members, one of whom shall be the Chairman. The Committee performed its duties according to rules of procedure adopted by the Board. The Audit Committee's tasks are primarily to monitor the Group's financial position, the effectiveness of the Group's internal controls, internal audit and risk management, maintain abreast of the status of the audit of the annual accounts and consolidated accounts and review and monitor the auditor's impartiality and independence. The Audit Committee also assists the Nomination Committee with proposals for the election and fees to the Company's auditor and ensures that the Group's 9-month report is reviewed by the Group's auditor. All of the Audit Committee's minutes are recorded and the minutes are submitted to the Board together with oral reporting in connection with the Board's decision-making. Since April 29, 2021, the Audit Committee has consisted of Mats Blom (Chairman) and Thomas Lönngren.

Remuneration Committee

During the period July 30, 2020 through April 29, 2021, all of the Remuneration Committee's tasks were done by the Board. The Company may, from time to time, decide to re-establish a Remuneration Committee. The Board decided on April 29, 2021 to re-establish a Remuneration Committee, which will consist of two Board members, one of whom shall be the Chairman. The Committee performed its duties according to rules of procedure adopted by the Board. The Remuneration Committee's tasks are primarily to prepare matters concerning remuneration and other terms of employment for the CEO and other senior executives. The Remuneration Committee also continuously monitors and evaluates ongoing programs and programs that were terminated during the year for variable remuneration to Company management, along with monitoring and evaluating the application of the guidelines for remuneration to senior executives decided on by the Annual General Meeting. All of the Remuneration Committee's minutes are recorded and the minutes are submitted to the Board together with oral reporting in connection with the Board's decision-making. Since April 29, 2021, the Remuneration Committee has consisted of Thomas Lönngren (Chairman) and Gunilla Osswald.

Board members' fees and attendance are stated in the table below.

		Attendance		
Name	**Total remuneration (SEK t)**	**Board meetings**	**Audit Committee**	**Remuneration Committee**
Thomas Lönngren (as of April 2021)	400	9/9	4/4	1/1
Mats Blom (as of April 2021)	110	9/9	4/4	-
Gunilla Osswald	165	15/15	-	1/1
Håkan Åström (until April 2021)	200	6/6	-	-
Sten Nilsson (until April 2021)	55	6/6	-	-
Elisabeth Svanberg	165	15/15	-	-
Peder Walberg	0	14/15	-	-
Total	**1,095**			

Remuneration to Board members

Remuneration to Board members elected by the Annual General Meeting is decided by the Annual General Meeting. At the Annual General Meeting on April 29, 2021, it was decided that a fee of a total of SEK 1,260,000 shall be paid, of which SEK 600,000 per year to the Chairman of the Board and SEK 165,000 per year to each of the other members of the Board. None of the Board members is entitled to severance pay or other benefits after the assignment has been completed.

The CEO and other senior executives

Tasks and responsibilities of the CEO and other Company management

The CEO is appointed by the Board and is responsible for the Company's day-to-day management in accordance with the Board's guidelines and instructions. The CEO is responsible for keeping the Board informed of the Company's development and for reporting significant deviations from established business plans and events that have a major impact on the Company's development or operations. The CEO is also responsible for producing relevant decision material for the Board, for example regarding establishments, investments and other strategic issues. The Company's management,

which is led by the Company's CEO Nicklas Westerholm, consists of individuals with responsibility for significant areas of activity within Egetis Therapeutics.

Guidelines on remuneration to senior executives

According to the Swedish Companies Act, the Annual General Meeting shall decide on guidelines for remuneration to the CEO and other senior executives. These guidelines apply to the CEO and individuals who are always part of the Egetis executive management team. To the extent that a Board member of the Company performs work for the Company in addition to their Board assignment, these guidelines shall also be applied to any remuneration paid to a Board member for such work.

The guidelines shall be applied to contractual remuneration, and any changes made to already agreed remuneration, after the guidelines are adopted at the 2021 AGM. The transfer of securities or the transfer of rights to acquire securities from the Company in the future are considered to be remuneration.

The guidelines do not apply to remuneration that is decided by the AGM, such as share-based incentive programs.

Executives who maintain a position as a member or deputy member of the Board of Directors of a Group company shall not receive special board remuneration for this.

How the guidelines contribute to the Company's business strategy, long-term interests and sustainability

Egetis' business strategy is conducted in accordance with the overall goal of building an innovative and competitive portfolio of product candidates focused on projects in late clinical development for commercialization of orphan drugs to treat serious and rare diseases with significant unmet medical needs.

A successful implementation of the Company's business and sustainability strategy and the safeguarding of the Company's long-term interests presupposes that the Company can recruit and retain management with the right expertise and capacity to achieve the set goals. These guidelines contribute to the Company's business strategy, long-term interests and sustainability by giving the Company the opportunity to offer senior executives competitive remuneration.

Types of remuneration

The Company's remuneration system shall be on competitive market terms. Remuneration may be paid in the form of fixed salary, variable remuneration, pension and other benefits.

Fixed salary must be individually set and competitive for each executive and based on their position, responsibility, expertise, experience and performance. The senior executive may be offered the opportunity to adjust the mix of fixed salary, pension and other benefits, provided that it is cost-neutral for the Company.

Variable remuneration shall be related to the achievement of the Company's goals and strategies and shall be based on predetermined and measurable criteria designed with the aim of promoting long-term value creation. The share of the total remuneration that consists of variable remuneration must be able to vary depending on the position. Variable remuneration may, however, correspond to a maximum of 50 percent of the senior executive's annual fixed salary. Variable remuneration may be pensionable. The Board of Directors is entitled to, by law or agreement, with the limitations that follow thereof, fully or partially demand repayment of variable remuneration that has been paid out on incorrect grounds.

Pension benefits shall be defined-contribution, insofar as the executive is not covered by defined-benefit pension in accordance with mandatory collective agreement provisions. The pension premiums for defined-contribution pensions may amount to a maximum of 40 percent of the senior executive's annual fixed salary.

Other benefits may include company car, occupational health care, life & health insurance and other similar benefits. Other benefits shall constitute a smaller proportion of the total remuneration and may correspond to a maximum of 10 percent of the senior executive's annual fixed salary.

Consultancy fees must be market-based. To the extent that consulting services are performed by a Board member of the Company, the Board member concerned is not entitled to participate in the Board's (or, where applicable, the Remuneration Committee's) treatment of matters concerning remuneration for the consulting services in question.

The AGM may also, and independent of these guidelines, decide on share-based payments and similar items.

Criteria for payment of variable remuneration

The criteria upon which the payment of variable remuneration is based shall be determined annually by the Board in order to ensure that the criteria are in line with Egetis' current business strategy and performance targets. The criteria can be individual or joint, financial or non-financial and must be designed in such a way that they promote the Company's business strategy, sustainability strategy and long-term interests. The criteria may, for example, be linked to the Company achieving certain goals within the framework of its clinical studies, that the Company initiates or completes a certain step or achieves a certain research result within the scope of its drug development activities, that the Company enters into research collaboration with a certain partner or that the Company enters into a certain agreement. The criteria can also be linked to the employee themself, for example, a requirement that they have worked at the Company for a certain period of time.

The period of time used for assessing whether or not certain criteria have been met must be at least one year. Furthermore, assessment of the extent to which criteria have been met shall be made after that period of time has expired. The assessment of whether financial criteria have been met shall be based on the most recently published financial information by the Company. The Board decides on the payment of any variable remuneration, after, if applicable, the matter has been considered by the Remuneration Committee.

Salary and employment terms for employees
In order to assess the reasonableness of the guidelines, the Board has taken into account the salary and terms of employment for the Company's employees when preparing the proposal for these guidelines. In doing so, the Board has considered information on the total amount of remuneration paid to employees, the various components of that remuneration, how the remuneration level has changed over time and at what rate.

Notice period and severance pay
With regard to the CEO, the notice period in the event of termination by the Company shall not exceed twelve months, while the notice period in the event of termination by the CEO shall not exceed six months.

With regard to senior executives other than the CEO, the notice period in the event of termination by the Company shall be a minimum of three months and a maximum of twelve months, while the notice period in the event of termination by the senior executive shall be a minimum of three months and a maximum of six months, provided that it is consistent with what is required by law.

Severance pay can be paid to senior executives in the event of termination by the Company. Fixed salary during the notice period and severance pay shall not, in aggregate, exceed an amount corresponding to the fixed salary for two years.

Remuneration can be paid for a commitment to restrict competition. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former senior executive is not entitled to severance pay. The remuneration may amount to a maximum of 60 percent of the senior executive's fixed salary at the time of termination, unless otherwise follows from mandatory collective agreement provisions. Such remuneration may be paid during the period of the undertaking to restrict competition, which may not exceed twelve months after the termination of employment, with the possibility of offsetting against other income from employment or according to a consulting agreement.

Decision process for establishing, monitoring and implementing the guidelines
The Board may from time to time decide to establish a Remuneration Committee with the task of preparing the Board's decisions on matters of remuneration principles, remuneration and other terms of employment for the executive management team, monitoring and evaluating ongoing and completed programs during the year that pertain to variable remuneration to the executive management team, as well as and monitoring and evaluating that the application of the guidelines for remuneration to senior executives that the Annual General Meeting shall decide on and the applicable current remuneration structures and remuneration levels in the Company. If a Remuneration Committee has not been established, the Board shall fulfill these tasks.

The Board shall prepare proposals for new guidelines in the event of a need for significant changes to the guidelines, but at least every four years. The Board shall submit the proposal for resolution to the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the AGM.

In order to avoid conflicts of interest, senior executives do not attend meetings where the Board considers and decides on remuneration-related issues that affect them in any way.

Deviation from the guidelines
The Board of Directors may decide on temporary deviations from the guidelines, if there are special reasons for doing so and if it has been deemed necessary for meeting the long-term needs (including sustainability) of Egetis or for safeguarding the Company's economic viability.

Special reasons may, for example, be that a deviation is deemed necessary to recruit or retain key personnel or in extraordinary circumstances such as that the Company achieves a certain desired result in a shorter time than planned, that the Company succeeds in entering into an agreement in a shorter period of time and on better terms than anticipated or that the Company increases in value or increases its sales or earnings more than its forecast.

Internal control
Internal control is a process that is intended to reasonably ensure that the Company's strategies and goals are met with regard to effective and efficient operations, reliable reporting and that applicable laws and regulations are complied with. Internal control over financial reporting is an integral part of overall internal control and is intended to create reasonable assurance that the external financial reporting is reliable and has been prepared in accordance with law, generally accepted accounting principles and other requirements that apply to listed companies.

The framework for internal control is regulated by the Swedish Companies Act and the Code. The Board of Directors must, for example, make sure that the Company has good internal controls and formalized procedures for ensuring that established principles for financial reporting and internal control are complied with, and that there are appropriate systems for monitoring and controlling the Company's operations along with the risks associated with the Company and its operations. In addition to the Board, the Company's processes for internal control are executed by the CEO, senior executives and other employees of the Company. The division of responsibilities between the Board, CEO and the executive management team is stated in established rules of procedure and instructions. In view of the organization's limited size, the Company has, for the time being, chosen not to set up a special function for internal audit.

The Board is responsible for the quality, monitoring and control of the Company's internal control and risk management. The Company's work with internal control is based on the internationally accepted Committee of Sponsoring Organizations of the Treadway Commission's guidelines for internal control (COSO) and mainly covers the following five areas.

Control environment
The Board has the overall responsibility for Egetis Therapeutics' processes for internal control and for establishing a control environment consisting of written policies, guidelines and instructions that serve as a basis for decisions and support for the management and other employees in the Company. In order to maintain good internal control, the Board has adopted a number of governing documents, such as rules of procedure for the Board, CEO instructions, instructions for financial reporting, certification procedures, financial policies and an information policy.

The Company also has a financial handbook that contains principles, guidelines and process descriptions for accounting and financial reporting.

Risk assessment
The Company's identification and evaluation of risks is based on the Company's established business plan. An overall risk analysis regarding strategic, operational, financial and compliance-related risks is carried out annually by the management team within the Company and documented in a special risk register. The risk register is presented annually to the Board.

Control activities
Control activities aim to manage identified risks and to prevent, identify and correct errors and deviations within the framework of financial reporting or other key processes in the Company. The control activities consist of specially identified controls and measures that must be taken within the scope of the respective business process.

Follow-up
The Company monitors the efficiency and effectiveness of the Company's work with internal control through evaluations of the Company's control environment and control activities. The Company's compliance with applicable policies and governing documents is evaluated annually. The results of these evaluations are compiled by the Company's CFO and reported to the Board annually.

The CEO also ensures that the Board regularly receives reports on the Company's progress and included in that is information on its earnings and financial position, along with significant events such as R&D results and important agreements that are being considered. Furthermore, the CEO reports on such matters at each regular Board meeting.

Information and communication
The Company has established information and communication channels regarding risks and internal controls that enable reporting and feedback from the business to the Board and management and that help to ensure that the right business decisions are made. Relevant policies, guidelines and instructions regarding internal control and financial reporting have been made available and are known to the employees concerned.

SENIOR EXECUTIVES

Nicklas Westerholm
CEO

Employed since: 2017
Number of shares in Egetis Therapeutics: 109,873 shares and 2,400,000 stock options.

Nicklas Westerholm, born 1976, worked for the AstraZeneca Group since 1995 in a variety of global positions and business areas, most recently as Vice President Project & Portfolio Management, Cardiovascular and Metabolic Diseases, Global Medicines Development Unit. Positions that Nicklas held prior to that include Executive Officer & Vice President Japan Operations, Director Investor Relations, Head of Global API Supply and Head of Development Manufacture. He studied analytical and organic chemistry at Stockholm University and chemical engineering at KTH Royal Institute of Technology. He has also studied at University of Warwick, INSEAD Business School, University of Fontainebleau and Harvard Business School.

Yilmaz Mahshid
Chief Financial Officer

Employed since: 2021
Number of shares in Egetis Therapeutics: 191,000 shares and 1,150,000 stock options.

Yilmaz Mahshid, born in 1979, previously worked at Medivir as the CEO, where he led the effort of developing the company's strategy and signing a worldwide licensing agreement with a US listed company. He has prior experience in the role of CFO at PledPharma, as Investment Manager and Controller with Industrifonden's Life Science team and as Healthcare Analyst at Pareto Securities and Öhman. He started his career as a researcher at Karolinska Institutet, later taking on that same role at the pharmaceutical companies, Biolipox and Orexo.

He has a PhD from the Department of Medical Biochemistry and Biophysics at Karolinska Institute.

Kristina Sjöblom Nygren
Chief Medical Officer

Employed since: 2021
Number of shares in Egetis Therapeutics: 6,000 shares and 650,000 stock options.

Kristina Sjöblom Nygren, born in 1961, has a degree in pharmaceutical medicine and a medical degree from Karolinska Institutet. She has previous experience as the CMO and Head of Development at Santhera, where she was in charge of running activities for rare diseases in various therapeutic areas. She has more than 20 years of experience working and interacting with regulatory authorities including the US Food and Drug Administration (FDA) and European Medicines Agency (EMA), including scientific advice and orphan drug applications in a number of leading positions at SOBI, Wyeth and AstraZeneca. Before starting to work in pharmaceutical industry, she worked as a licensed physician in several different positions.

Christian Sonesson
Vice President Product Strategy and Development

Employed since: 2017
Number of shares in Egetis Therapeutics: 12,000 shares and 1,150,000 stock options.

Christian Sonesson, born 1975, has an Executive MBA from Stockholm School of Economics and a Ph.D. in biostatistics from Gothenburg University. Christian has held the position of VP since August 2017. He has extensive experience in drug development and has successfully led phase III studies (FORXIGA® for type 1 diabetes). He has a great deal of experience interacting with regulatory authorities and leading drug candidates through the process to registration in various regions (examples are FORXIGA® for type 2 diabetes, MOVANTIK®, ONGLYZA®-SAVOR, BRILINTA®-PEGASUS and QTERN®).

Henrik Krook

Vice President Commercial Operations

Employed since: 2020
Number of shares in Egetis Therapeutics: 170,000 shares and 1,150,000 stock options.

Henrik Krook, born 1973, has an Executive MBA from Stockholm School of Economics and a Ph.D. in immunology from Uppsala University. He has vast experience from more than 20 years in leading commercial positions at major pharmaceutical and biotechnology companies. He has previously been advisor to biotechnology companies such as Affibody, working with company and commercial issues. He has also held senior positions at, among other, Alexion, Novartis and Roche.

Nils Hallén

HR Manager

Consultant since: 2021
Number of shares in Egetis Therapeutics: 0 shares and 0 stock options.

Nils Hallén, born in 1968, has worked as an HR consultant since 2004. His assignment has primarily involved matters relating to staffing, organizational culture and leadership. Besides his consulting work, he has simultaneously held a part-time position at Södertörn University, Stockholm, as a adjunct professor in work and organizational psychology. Prior to that, he has held the position of Head of HR at companies in the travel industry and was CEO at PALAKOM, a training company. Nils has a law degree from Lund University, where he also studied economics, French and history.

Karl Hård

Vice President, Head of Investor Relations & Communications

Employed since: 2022
Number of shares in Egetis Therapeutics: 0 shares and 100,000 stock options.

Karl Hård, born in 1962, studied biochemistry at University of Helsinki and he has a PhD in biochemistry from Utrecht University in the Netherlands. He has extensive experience from more than 25 years working with research and investor relations at AstraZeneca. He has also worked with investor relations and communication at listed, smaller biotech companies including Kiadis Pharma (Euronext, Amsterdam) and Redx Pharma (London Stock Exchange). He has also been advisor (via Optimum Strategic Communications) for more than 30 biotech companies in Europe and the USA.

BOARD OF DIRECTORS

Thomas Lönngren

Degree in pharmacology and M.Sc. in social and regulatory pharmacology from Uppsala University.

Born: 1950
Chairman of the Board since: April 2021
Number of shares in Egetis Therapeutics: 165,219 shares.

Thomas Lönngren has extensive experience from the pharmaceutical industry and was the acting General Director for the Swedish Medical Products Agency up until 2000. Between 2001 and 2010 he was CEO for European Medicines Agency (EMA). He has held various positions at CBio Ltd in Brisbane, Analytica Ltd in Brisbane and Global Kinetic Corporation Ltd in Melbourne, Australia. He is also an advisor for Artis Venture in San Francisco, Baren Therapeutics in San Francisco and special advisor for Centre for Innovation in Regulatory Science (CIRS) in London and ScientificMed AB in Sweden. He is also a member of the faculty at GLG Institute (Gerson, Lehrman Group) in New York, USA.

Other assignments: Board member at Compass Pathway PLC in London, NDA Group in Sweden and a Board member at his own company, PharmaExec Consulting AB.

Independent in relation to the Company's largest shareholders, the Company and the executive management team.

Mats Blom

B.Sc. Business Administration and Economics from Lund University and MBA from IESE University of Navarra in Barcelona, Spain.

Born: 1965
Chairman of the Board since: April 2021
Number of shares in Egetis Therapeutics: 2,257,512 shares.

Mats Blom has been employed as CFO at Zealand Pharma A/B, a biotech company listed on Nasdaq in both Copenhagen and New York and at Swedish Orphan International, an orphan drug company that was acquired by Biovitrum in 2009. He has also been employed as the CFO at Modus Therapeutics, Active Biotech AB and Anoto Group AB. Besides that, he has worked as a management consultant at both Cap Gemini and Ernst & Young.

Other assignments: CFO at NorthSea Therapeutics BV, the Netherlands and Director of Hansa Biopharma AB, Altamira Therapeutics Ltd and Pephexia Therapeutics ApS.

Independent in relation to the Company's largest shareholders, the Company and the executive management team.

Gunilla Osswald

Pharmacist and Ph.D. in Biopharmacy and Pharmacokinetics from Uppsala University.

Born: 1961
Chairman of the Board since: 2017
Number of shares in Egetis Therapeutics: 0

Gunilla Osswald has more than 35 years of experience in pharmaceutical development and since 2014, has been CEO of BioArctic AB (publ), listed on Nasdaq Stockholm. While serving as CEO of BioArctic, the Company entered into comprehensive licensing agreements with major global pharmaceutical companies. She has successfully run projects from preclinical and clinical development to regulatory approval and product launch. She has previously held leading positions at AstraZeneca and has, among other things, been responsible for the product portfolio in neurodegenerative diseases.

Other assignments: CEO of BioArctic AB (publ) and Deputy Board Member at LPB Sweden AB.

Independent in relation to the Company's largest shareholders, the Company and the executive management team.

Elisabeth Svanberg

Licensed Physician and Associate Professor of Surgery at University of Gothenburg.

Born: 1961
Chairman of the Board since: 2017
Number of shares in Egetis Therapeutics: 0

Elisabeth Svanberg has extensive international experience and has been responsible for the development and commercialization of pharmaceuticals. She has held several leading positions in multinational pharmaceutical companies in Europe and the USA and in these roles has, among other things, led the development of an innovative diabetes therapy and worked in the field of metabolic diseases.

Other assignments: Chief Development Officer, Ixaltis SA, Chief Medical Officer, Kuste Biopharma. Board member at Swedish Orphan Biovitrum, Galapagos NV, Pharnext and Amolyt Pharma.

Independent in relation to the Company's largest shareholders, the Company and the executive management team.

Peder Walberg

Medical degree and M.Sc. in Business and Management from Uppsala University.

Born: 1974
Chairman of the Board since: 2020
Number of shares in Egetis Therapeutics: 31,858,414 shares via Cetoros AB.

Peder Walberg is a Licensed Physician with extensive experience of development and commercialization of orphan drugs, both in operations and as a board member of several companies. Peder is the founder of Rare Thyroid Therapeutics and Medical Need Europe (now Immedica Pharma) as well as co-founder of Wilson Therapeutics. Peder has also been Business Development and Strategy Manager for Swedish Orphan and Sobi. He was also the Head of Business Area Nordic for New Products and Business Development at Novartis. He has previously served on the boards of Wilson Therapeutics and OxThera and has a background as a strategy consultant from Boston Consulting Group.

Other assignments: CEO and Chairman of the Board at TTM HoldCo AB, CEO and Board Member at Cetoros AB and Board Member at Rare Thyroid Therapeutics International AB, Vlast AB and Immedica Pharma Holding AB.

Peder is, via Cetoros AB, the Company's largest shareholder

AUDITOR'S STATEMENT AND CORPORATE GOVERNANCE REPORT

To the general meeting of the shareholders in Egetis Therapeutics AB (publ), corporate identity number 556706-6724.

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2021 on pages 38-49 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard Rev 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.

Opinions

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

Stockholm April 14, 2022

BDO Mälardalen AB

Karin Siwertz
Authorized Public Accountant

DIRECTORS' REPORT

The Board of Directors and CEO for Egetis Therapeutics AB (publ) 556706-6724 hereby present the annual report for the financial year 2021-01-01 – 2021-12-31.

GENERAL INFORMATION ABOUT THE BUSINESS

Egetis is an innovative and integrated pharmaceutical company, focusing on projects in late-stage development for commercialization for treatments of serious diseases with significant unmet medical needs in the orphan drug segment. The drug candidate Emcitate is developed as the first potential treatment for patients with MCT8 deficiency, a rare disease with high unmet medical need and no available treatment. A Phase IIb clinical trial (Triac Trial I) and a investigator initiated cohort study has been conducted with significant, clinically relevant treatment results on serum T3 levels and clinically relevant secondary efficacy endpoints. Based on the favorable discussions with the EMA, Egetis intends to submit an application for market approval (MAA) for Emcitate to the European Medicines Agency (EMA) during the first half of 2023, based on the existing clinical data.

Based on its discussions with the FDA, Egetis will be conducting a small, randomized placebo-controlled trial on 16 patients to verify the results on T3 levels from prior clinical trials and publications. Egetis intends to submit a New Drug Application (NDA) for market approval of Emcitate to the FDA in mid-2023, which will have Fast Track Designation.

Triac Trial II is an ongoing trial on very young patients with MCT8 deficiency (<30 months old) to investigate the neurocognitive effects of early intervention with Emcitate. The results are expected during the first quarter of 2024.

Emcitate has ODD status in the USA for MCT8 deficiency and RTH-β. It has ODD status in Europe for MCT8 deficiency. In the USA, Emcitate was also granted Rare Pediatric Disease status, which would enable Egetis to apply for a Priority Review Voucher (PRV) USA after approval.

The drug candidate Aladote is developed to reduce the risk of acute liver injury associated with paracetamol poisoning. A Proof of Principle study has been successfully completed and the design of the upcoming pivotal Phase IIb/III study for Aladote has been finalized following discussions with the FDA, EMA and MHRA.

Aladote has been granted Orphan Drug Designation in the US and an application for ODD was submitted in Europe during first quarter 2021. Egetis has an ongoing dialogue with the EMA about possible indication for ODD in the EU. The COVID-19 pandemic is still making it very challenging to start a clinical study in an emergency/intensive care setting. Therefore, pending how the situation evolves, the Company expects that the study will get underway sometime during 2022.

Egetis Therapeutics (STO: EGTX) is listed on the Nasdaq Stockholm main market.

Project portfolio

Emcitate (MCT8 deficiency)

Emcitate is Egetis' lead candidate drug in clinical development. It addresses MCT8 deficiency, which is a rare genetic disease with high unmet medical need and no available treatment, affecting 1 in 70,000 males.

Thyroid hormone is crucial for the development and metabolic state of virtually all tissues. Thyroid hormone transport across the plasma membrane is required for the hormone's metabolism and intracellular action and is facilitated by thyroid hormone transporters, including monocarboxylate transporter 8 (MCT8). Mutations in the gene for MCT8, located on the X-chromosome, cause MCT8 deficiency, also called Allan-Herndon-Dudley syndrome (AHDS) in affected males.

The resulting dysfunction of MCT8 leads to impaired transport of thyroid hormone into certain cells and across the blood-brain-barrier and disruption of normal thyroid hormone regulation. This leads to a complex pattern of symptoms with neurological developmental delay and intellectual disability, accompanied by severely elevated circulating thyroid hormone concentrations which are toxic for tissues including the heart, muscle, liver and kidney and results in symptoms such as failure to thrive, cardiovascular stress, insomnia and muscle wasting. Most patients will never develop the ability to walk or even sit on their own. At present there is no approved therapy available for the treatment of MCT8 deficiency.

Emcitate was granted Orphan Drug Designation in the EU by the EMA in 2017 and in the USA by the FDA in 2019. In November 2020, Emcitate was granted Rare Pediatric Disease (RPD) status by the FDA and it received Fast Track Designation in October 2021. In connection with market approval, sponsors who have an RPD, and who meet the requirements, can apply for a US Rare Pediatric Disease Priority Review Voucher (PRV), which can be used to obtain a quicker FDA review of an application for market approval for another drug candidate for any indication whatsoever, which shortens the time to launch in the United States. A PRV may be sold or transferred to another sponsor.

A Phase IIb clinical trial (Triac Trial I) for patients with MCT8 deficiency has been completed which showed significant and clinically relevant treatment effects on key aspects of

the disease. In October 2021, data was published in Journal of Clinical Endocrinology & Metabolism from long-term treatment (up to 6 years) with Emcitate for patients with MCT8 deficiency. The results are from a investigator cohort study at 33 clinics conducted by Erasmus Medical Center, Rotterdam, Netherlands, confirming the efficacy and safety of Emcitate treatment in 67 patients with MCT8 deficiency.

Based on the new, long-term data, we entered into discussions with the regulatory agencies in the USA and Europe and have received positive feedback. In December, the European Medicines Agency (EMA) concluded that the clinical data from Triac Trial I, together with the data from long-term treatment, is sufficient for submitting a Marketing Authorisation Application (MAA) in Europe for treatment of MCT8 deficiency. The Company is thus planning to submit the MAA during the first half of 2023.

We have received positive feedback from the FDA that a treatment effect on T3 levels and chronic thyrotoxicosis could possibly serve as the basis for market approval in the USA. We have now agreed with the FDA to perform a small study randomizing treated patients to continue treatment with Emcitate or to receive placebo for up to 30 days to verify our previous T3 results that were seen in prior clinical trials and publications. It is well-established that the T3 levels in untreated MCT8 patients are significantly elevated, and we have previously shown that Emcitate is able to rapidly and durably normalize these levels. The primary source for patient selection will be through our existing named patient program. In the USA, Egetis intends to submit a New Drug Application (NDA) for market approval of Emcitate to the FDA in mid-2023, which will have Fast Track Designation.

A pivotal Phase IIb/III study (Triac Trial II) was initiated with the first patient dosed in Q4 2020. Triac Trial II is an international, open, multi-center study conducted in both Europe and North America on children under 30 months with MCT8 deficiency. Patient recruitment is expected to be completed in Q1 2022. Results are expected in Q1 2024 and data from the Triac Trial II is expected to be submitted after market approval to the regulatory authorities shortly thereafter.

Emcitate is already being prescribed on a named patient basis based on approval by the national regulatory agencies. The Compassionate Use Program (CUP) and named patient access are mechanisms to allow for early access to important and life-saving medicines in situations with high unmet medical needs and where no available treatment alternatives exist or are suitable.

Aladote (paracetamol poisoning)

Aladote is a first-in-class drug candidate with the potential to reduce the risk of acute liver injury associated with paracetamol/acetaminophen poisoning. Aladote has shown good effect in relevant preclinical models, even in the time-window when N-acetylcysteine (NAC) treatment no longer is effective (>8 hours). A Proof of Principle study in patients with paracetamol poisoning to reduce acute liver damage has been successfully completed. The study results established the safety and tolerability of the combination of Aladote and NAC. Furthermore, the results indicate that Aladote may reduce liver injury in this patient population. Aladote has been granted Orphan Drug Designation (ODD) status in the USA. An application for ODD status in the EU was submitted in March 2021 and we have an ongoing dialog underway with the EMA about possible ODD status in the EU. Paracetamol/acetaminophen is the most used drug in the world for the treatment of fever and pain, but also one of the most overdosed drugs – intentionally or unintentionally. Paracetamol overdose is one of the most common methods in suicide attempts. When excessive amounts of paracetamol are metabolized in the liver, the harmful metabolite NAPQI is formed, which can cause acute liver injury. The current standard of care for paracetamol poisoning (NAC) is effective if the patient seeks medical care within 8 hours of ingestion.

A Phase IIb/III study is planned, targeting patients with increased risk of liver injury, who arrive late at hospital, more than 8 hours after a paracetamol overdose, for which current standard of care, NAC, is substantially less effective. The total planned number of patients are 250, who will be enrolled in the USA, UK and in at least one EU country. The study consists of two parts with an interim analysis which includes a futility analysis and dose selection where the most effective dose will be continued. Therefore, pending how the situation evolves, the Company expects that the study will get underway sometime during 2022. Application for market approval in the USA, EU and UK is planned after completion of the study.

PledOx (nerve damage associated with chemotherapy)

During the second quarter of 2021, the Company decided to park the development of PledOx following the POLAR results. Our partner Solasia Pharma K.K. will continue the pre-clinical program in taxane induced peripheral neuropathy.

Significant events during 2021

Egetis received Fast Track Designation by the US Food and Drug Administration (FDA) for Emcitate for the treatment of MCT8 deficiency.

New real-life long-term data published in the Journal of Clinical Endocrinology & Metabolism (van Geest et al. 2021) confirms the beneficial effects (lasting up to 6 years) and safety of Emcitate for treatment of patients with MCT8 deficiency.

Egetis is planning to apply to the European Medicines Agency (EMA) for market approval of Emcitate based on the existing clinical data. Because all of the clinical data is already available, it substantially reduces the remaining risk for Emcitate.

Egetis is involved in helping to improve the quality of life and lengthen life expectancy for patients suffering from MCT8 deficiency. In 2021, Egetis launched a campaign to raise awareness of MCT8 deficiency. The Cuddly Toy campaign was recently shortlisted by the prestigious 2022 Pharmaceutical Marketing Society awards in London in the category best health education campaign aimed at healthcare professionals.

Events after the balance sheet date

The extraordinary general meeting of shareholders on April 13, 2022 resolved on a fully guaranteed preferential rights issue of SEK 180 million (before issue costs). The purpose of the issue is to secure capital for continued drug development and to finance preparations for the application process for market approval in the EU and the USA, initiate the establishment of a commercial infrastructure in Europe and the USA for Emcitate and launch preparation activities. See Note 29 for information on other significant events after the balance sheet date.

Earnings and position

Revenue

Sales revenue from operations amounted to SEK 38,243 (40,662) thousand. The revenue primarily consisted of Emcitate sales of SEK 15,652 (1,727) thousand and forwarding of expenses related for PledOx to Solasia Pharma K.K (Solasia) of SEK 22,591 (38,935) thousand.

Expenses

Operating expenses amounted to SEK 144,224 (217,961) thousand for the Group and SEK 100,046 (201,670) thousand for the Parent Company. Project expenses amounted to SEK 88,671 (183,276) thousand. The lower project expenses for the period are primarily because of an Aladote study that has not yet been initiated and because the development of PledOx has been parked.

Employee benefit expenses amounted to SEK 30,131 (22,151) thousand. Other external expenses amounted to SEK 14,513 (10,001) thousand for the Group and SEK 14,417 (9,806) thousand for the Parent Company. The increase is mainly due to higher consultancy and auditor expenses. Depreciation/amortization amounted to SEK 2,455 (395) thousand for the Group and SEK 43 (1) thousand for the Parent Company. Of that amount, SEK 1,082 (183) pertains to amortization of licenses in the Group. The remaining depreciation/amortization is primarily attributable to right-of-use assets in accordance with IFRS 16. Other operating expenses amounted to SEK 598 (243) thousand for the Group and SEK 463 (290) thousand for the Parent Company. Other operating expenses primarily result from exchange rate differences.

Earnings

Operating loss amounted to SEK -105,681 (-177,299) thousand for the Group and SEK -61,251 (-162,403) thousand for the Parent Company. Financial items amounted to SEK 1,139 (-725) thousand for the Group and SEK 1,268 (-722) thousand for the Parent Company. Profit (loss) from financial items is primarily related to unrealized revaluation of the Group's FX-accounts at the end of the period. Loss after financial items amounted to SEK -104,542 (-178,024) thousand for the Group and SEK -59,982 (-163,125) thousand for the Parent Company. No tax has been reported. Earnings per share amounted to SEK -0.6 (-2.6) SEK for the Group and to SEK -0,4 (-2.4) for the Parent Company, both before and after dilution. The Parent Company's revenue amounted to SEK 38,795 (39,267) thousand.

Financial position

Cash and cash equivalents

Cash and cash equivalents as of December 31, 2021 amounted to SEK 143,965 (287,850) thousand.

Cash flow

Cash flow from operating activities amounted to SEK -130,110 (-134,639) thousand. Cash flow for the year amounted to SEK -144,969 (34,223) thousand. Cash flow from operating activities is primarily generated from the cost of clinical studies. Cash flow from investing activities amounted to SEK -5,957 (-59,543) thousand. That amount in 2020 is primarily associated with the acquisition of RTT. Cash flow from financing activities amounted to SEK -8,902 (228,405) thousand. That amount in 2020 is primarily associated with the net proceeds from the new share issue of SEK 228,620 thousand.

Liabilities and assets

The Group

As of December 31, 2021, non-current liabilities amounted to SEK 3,060 (16,135) thousand for the Group. Non-current lease liabilities attributable to IFRS 16 amounted to SEK 2,650 (3,526) thousand and non-current liabilities attributable to IFRS 2 amounted to SEK 410 (109) thousand. Current lease liabilities attributable to IFRS 16 amounted to SEK 1,502 (1,141) thousand, current liabilities attributable to the acquisition of RTT amounted to SEK 12,500 (12,500) and other current liabilities amounted to SEK 25,168 (56,500) thousand. Accounts receivables amounted to SEK 3,456 (3,883) thousand

and non-current assets amounted to SEK 416,366 (417,130) thousand.

Parent Company
As of December 31, 2021, non-current liabilities amounted to SEK 410 (5,109) thousand in the Parent Company. Non-current liabilities attributable to IFRS 2 amounted to SEK 410 (109) thousand. Current liabilities attributable to the acquisition of RTT amounted to SEK 5,000 (5,000) thousand and other current liabilities amounted to SEK 50,187 (68,199) thousand. Accounts receivables amounted to SEK - (2,470) thousand and non-current assets amounted to SEK 432,889 (431,979) thousand.

Investments, tangible and intangible assets
The Group
No major investments or acquisitions of tangible or intangible assets were made in 2021.

Parent Company
Financial assets amounted to SEK 432,736 (431,956) thousand.

Share capital, equity ratio and ownership
As of December 31, 2021, equity amounted to SEK 527,039 (630,723) thousand for the Group. Equity per share amounted to SEK 3.2 (9.3). The Group's equity ratio was 93 (88)%. The number of shares in the Parent Company as of December 31, 2021 amounted to 165,068,560 (165,068,560) shares, each with one vote. The quotient value was SEK 0.05 per share. Egetis Therapeutics shares are listed on Nasdaq Stockholm's main market. The Company's largest shareholder as of 2021-12-31, was Peder Walberg via Cetoros 19.3%. For more information, see the section Egetis Therapeutics share on pages 36.

The Annual General Meeting has granted the Board the authority to, during the period up until the next AGM decide on issuance of shares. However, the Board does not have the authority to make decisions deviating from the shareholders' preferential rights such that share capital is increased by more than ten (10) percent in relation to the share capital amount the first time that it exercised its authority.

Stock option plan and warrant programs
Stock option plan 2021/2025
The 2021 AGM resolved to set up a stock option plan, 2021/2025 for employees of Egetis Therapeutics AB for 5,000,000 stock options. Of that amount, 4,900,000 of the stock options had been allocated to employees as of 31 December 2021. The terms and reporting of stock options is described in Note 2 under the section IFRS 2 Share-based Payment.

In order to secure the delivery of stock options and future estimated social security contributions in conjunction with exercising the options, the Egetis Therapeutics subsidiary, Egetis Therapeutics Incentive AB, subscribed for 6,571,000 warrants.

Stock option plan 2020/2024
The 2020 AGM resolved to set up a stock option plan for employees of Egetis Therapeutics for 3,000,000 stock options. Of that amount, 2,900,000 of the stock options had been allocated to employees as of 31 December 2021. The terms and reporting of stock options is described in Note 2 under the section IFRS 2 Share-based Payment.

In order to secure the delivery of stock options and future estimated social security contributions in conjunction with exercising the options, the Egetis Therapeutics subsidiary, PledPharma I AB (the previous company name for Egetis Therapeutics Incentive AB), subscribed for 3,942,600 warrants.

Information regarding previous warrant programs
Warrant program 2018/2021
The subscription period for the warrant program 2018/2021 expired on 30 November 2021. The share price was lower than the exercise price of SEK 26 per share, which is why no warrants were exercised. Employees and Board members had subscribed for 779,500 warrants in the 2018/2021 plan.

Dilution effect of the remaining warrant programs
Full utilization of the remaining warrants would increase the number of shares by 10,513,600 to a total of 175,582,160. The average price for ordinary shares was below the exercise price for all warrants during the period, which is why no dilution effect has been reported.

Employees
The number of employees as of 31 December 2021 was 12 (10) of which, 7 women and 5 men.

Environment
The Company actively strives to reduce its negative environmental impact and develop as a sustainable company. Because the Company is in the development phase, there is by definition no major product sales for which it would need to give environmental consideration. The Company's environmental impact lies on the areas of purchasing of goods and services, energy consumption and business travel. Because of its size, the Company has not prepared a sustainability report for 2021.

Auditor
The auditor is responsible for auditing Egetis Therapeutics' annual report and financial statements as well as the Board's and the CEO's administration. After each financial year, the auditor shall submit an audit report to the Annual General Meeting. The auditor for Egetis Therapeutics is BDO Mälardalen AB. The principal auditor is Karin Siwertz, authorized public accountant and member of FAR. The principal auditor can be reached at the following address: Turebergs allé 2, 191 62 Sollentuna.

Risk management
Egetis Therapeutics has a model for risk management that is in accordance with policies adopted by the Board that are aimed at identifying, controlling and minimizing the risks. Risk management is an important component of internal control. The Board has ultimate responsibility for risk management at Egetis Therapeutics. It is management's responsibility to identify, evaluate and manage risks and report to the Board. The main risks that Egetis Therapeutics faces are divided into four categories: strategic, operational, financial and regulatory compliance. See Note 3 regarding financial risks and the risk section on pages 33-35 for a more detailed description of risks faced by Egetis Therapeutics.

Capital requirements
Egetis has reported a negative operating profit since the start of operations and cash flow is expected to remain negative until Egetis succeeds in generating revenue from launched products or licensing. Egetis will continue to need significant capital for the further development, approval, launch and commercialization of its drug candidates to the extent that the Company considers it to be in the interests of the Company and its shareholders. Both the scope and timing of Egetis' future capital requirements will depend on a number of factors, including costs for ongoing and future clinical trials and the results of these studies, costs for future product launches as well as the possibility of entering into partnership or licensing agreements and market reception of any products. Both the availability of, and the conditions for, additional financing are affected by a number of factors such as market conditions, the general availability of capital and Egetis' creditworthiness and credit capacity. Disruptions and uncertainty in the credit and capital markets could also limit access to additional capital. If Egetis, in whole or in part, fails to raise sufficient capital, or succeeds in doing so only on unfavorable terms, it could have a material adverse effect on the Company's operations, financial position and earning. There is a risk that capital cannot be raised on favorable terms, or at all, and that the Company may therefore experience problems in implementing the development, launch and potential sale of the Company's product candidates within the desired time frame and scope. If Egetis is unable to obtain the necessary financing, there is a risk that Egetis will not be able to continue its operations in their current form or that Egetis will, ultimately, have to discontinue its operations.

Dividends policy
The Board's assessment is that no decisions on dividends will be made in the coming year. Decisions to distribute dividends are decided by the Annual General Meeting following a proposal from the Board. The right to a dividend goes to the person who is registered in the share register kept by Euroclear at the record date determined by the Annual General Meeting. Dividends are administered by Euroclear, or, for nominee-registered holdings, in accordance with each nominee's procedures. If shareholders cannot be reached through Euroclear, the shareholder's claim on the Company regarding the dividend amount remains and is limited only by rules for prescription. In the event of prescription, the dividend amount accrues to the Company. There are no special rules, restrictions or procedures regarding dividends for shareholders residing outside Sweden.

Corporate governance
The Company is subject to Swedish laws and regulations such as the Swedish Companies Act (2005: 551), the Accounting Act (1999: 1078) and the Annual Accounts Act (1995: 1554). The Company applies Nasdaq Stockholm's regulations for companies listed on the main market and the Swedish Code of Corporate Governance (the "Code").

Corporate governance is exercised, among other things, through the Annual General Meeting, the Board and the CEO. The Company's auditor appointed by the AGM examines the Company's accounts and the Board's and CEO's administration of the Company. See the corporate governance report pages 38-45 for further information.

Guidelines on remuneration to senior executives
Guidelines for remuneration to the Board of Directors and executive management team are detailed in Note 11.

The Board of Directors' proposal for guidelines for remuneration to senior executives
These guidelines include the CEO and individuals who are always part of the Egetis Therapeutics executive management team. To the extent that a Board member of the Company performs work for the Company in addition to their Board assignment, these guidelines shall also be applied to any remuneration paid to a Board member for such work.

The guidelines shall be applied to contractual remuneration, and any changes made to already agreed remuneration, after the guidelines are adopted at the 2022 AGM. The transfer of securities or the transfer of rights to acquire securities from the Company in the future are considered to be remuneration.

The guidelines do not apply to remuneration that is decided by the AGM, such as share-based incentive programs.

Executives who maintain a position as a member or deputy member of the Board of Directors of a Group company shall not receive special board remuneration for this.

No significant changes have been proposed for the 2022 Annual General Meeting.

How the guidelines contribute to the Company's business strategy, long-term interests and sustainability

Egetis Therapeutics' business strategy is conducted in accordance with the overall goal of building an innovative and competitive portfolio of new medicines focused on projects in late clinical development in the field of orphan drugs for the treatment of serious and rare diseases with significant medical needs. A successful implementation of the Company's business and sustainability strategy and the safeguarding of the Company's long-term interests presupposes that the Company can recruit and retain management with the right expertise and capacity to achieve the set goals. These guidelines contribute to the Company's business strategy, long-term interests and sustainability by giving the Company the opportunity to offer senior executives competitive remuneration.

Types of remuneration

The Company's remuneration system shall be on competitive market terms. Remuneration may be paid in the form of fixed salary, variable remuneration, pension and other benefits.

Fixed salary must be individual for each individual executive and based on the executive's position, responsibility, expertise, experience and performance. The senior executive may be offered the opportunity to adjust the mix of fixed salary, pension and other benefits, provided that it is cost-neutral for the Company.

Variable remuneration shall be related to the achievement of the Company's goals and strategies and shall be based on predetermined and measurable criteria designed with the aim of promoting long-term value creation. The share of the total remuneration that consists of variable remuneration must be able to vary depending on the position. Variable remuneration may, however, correspond to a maximum of 50 percent of the senior executive's annual fixed salary. The variable remuneration is pensionable. The Board of Directors is entitled to, by law or agreement, with the limitations that follow thereof, fully or partially demand repayment of variable remuneration that has been paid out on incorrect grounds.

Pension benefits shall be defined-contribution, insofar as the executive is not covered by defined-benefit pension in accordance with mandatory collective agreement provisions. The pension premiums for defined-contribution pensions may amount to a maximum of 40 percent of the senior executive's annual fixed salary.

Other benefits may include company car, occupational health care, life & health insurance and other similar benefits. Other benefits shall constitute a smaller proportion of the total remuneration and may correspond to a maximum of 10 percent of the senior executive's annual fixed salary.

Consultancy fees must be market-based. To the extent that consulting services are performed by a Board member of the Company, the Board member concerned is not entitled to participate in the Board's (or, where applicable, the Remuneration Committee's) treatment of matters concerning remuneration for the consulting services in question.

The AGM may also, and independent of these guidelines, decide on share-based payments and similar items.

Criteria for payment of variable remuneration

The criteria upon which the payment of variable remuneration is based shall be determined annually by the Board in order to ensure that the criteria are in line with Egetis' current business strategy and performance targets. The criteria can be individual or joint, financial or non-financial and must be designed in such a way that they promote the Company's business strategy, sustainability strategy and long-term interests. The criteria may, for example, be linked to the Company achieving certain goals within the framework of its clinical studies, that the Company initiates or completes a certain step or achieves a certain research result within the scope of its drug development activities, that the Company enters into research collaboration with a certain partner or that the Company enters into a certain agreement. The criteria can also be linked to the employee themself, for example, a requirement that they have worked at the Company for a certain period of time.

The period of time used for assessing whether or not certain criteria have been met must be at least one year. Furthermore, assessment of the extent to which criteria have been met shall be made after that period of time has expired. The assessment of whether financial criteria have been met shall be based on the most recently published financial information by the Company. The Board decides on the payment of any variable remuneration, after, if applicable, the matter has been considered by the Remuneration Committee.

Salary and employment terms for employees

In order to assess the reasonableness of the guidelines, the Board has taken into account the salary and terms of employment for the Company's employees when preparing

the proposal for these guidelines. In doing so, the Board has considered information on the total amount of remuneration paid to employees, the various components of that remuneration, how the remuneration level has changed over time and at what rate.

Notice period and severance pay

With regard to the CEO, the notice period in the event of termination by the Company shall not exceed twelve months, while the notice period in the event of termination by the CEO shall not exceed six months.

With regard to senior executives other than the CEO, the notice period in the event of termination by the Company shall be a minimum of three months and a maximum of twelve months, while the notice period in the event of termination by the senior executive shall be a minimum of three months and a maximum of six months.

Severance pay can be paid to senior executives in the event of termination by the Company. Fixed salary during the notice period and severance pay shall not, in aggregate, exceed an amount corresponding to the fixed salary for two years.

Remuneration can be paid for a commitment to restrict competition. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former senior executive is not entitled to severance pay. The remuneration may amount to a maximum of 60 percent of the senior executive's fixed salary at the time of termination, unless otherwise follows from mandatory collective agreement provisions. Such remuneration may be paid during the period of the undertaking to restrict competition, which may not exceed twelve months after the termination of employment, with the possibility of offsetting against other income from employment or according to a consulting agreement.

Decision process for establishing, monitoring and implementing the guidelines

The Board may from time to time decide to establish a Remuneration Committee with the task of preparing the Board's decisions on matters of remuneration principles, remuneration and other terms of employment for the executive management team, monitoring and evaluating ongoing and completed programs during the year that pertain to variable remuneration to the executive management team, as well as and monitoring and evaluating that the application of the guidelines for remuneration to senior executives that the Annual General Meeting shall decide on and the applicable current remuneration structures and remuneration levels in the Company. If a Remuneration Committee has not been established, the Board shall fulfill these tasks.

The Board shall prepare proposals for new guidelines in the event of a need for significant changes to the guidelines, but at least every four years. The Board shall submit the proposal for resolution to the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the AGM.

In order to avoid conflicts of interest, senior executives do not attend meetings where the Board considers and decides on remuneration-related issues that affect them in any way.

Deviation from the guidelines

The Board of Directors may decide on temporary deviations from the guidelines, if there are special reasons for doing so and if it has been deemed necessary for meeting the long-term needs (including sustainability) of Egetis or for safeguarding the Company's economic viability.

Specific reasons may, for example, be that a deviation is deemed necessary to recruit or retain key personnel or in extraordinary circumstances such as that the Company achieves a certain desired result in a shorter time than planned, that the Company succeeds in entering into an agreement in a shorter period of time and on better terms than anticipated or that the Company increases in value or increases its sales or earnings more than its forecast.

Appropriation of earnings

The following funds are at the disposal of the AGM:

Share premium reserve	636,235,385
Profit (loss) for the year	-127,982,423
Total	**508,252,963**

The Board proposes that SEK 508,252,963 is carried forward.

FIVE-YEAR SUMMARY

Group (Amounts in SEK t)	**2021**	**2020**	**2019**	**2018**	**2017**
INCOME STATEMENT IN SUMMARY					
Revenue	**38,543**	**40,662**	**82,562**	**28,321**	**13,886**
Operating expenses	**-144,224**	**-217,961**	**-149,243**	**-115,215**	**-101,984**
Operating profit (loss)	**-105,681**	**-177,299**	**-66,681**	**-86,894**	**-88,097**
Profit (loss) for the year	**-104,542**	**-178,024**	**-61,422**	**-85,003**	**-87,935**
Other comprehensive income	-	-	-	-	-
Comprehensive income for the year	**-104,542**	**-178,024**	**-61,422**	**-85,003**	**-87,935**
BALANCE SHEET IN SUMMARY					
Non-current assets	416,366	417,130	123	-	-
Current assets	152,902	299,871	269,950	242,037	315,368
- of which cash and bank balances	143,965	287,850	255,101	229,876	309,531
Total assets	**569,269**	**717,000**	**270,073**	**242,037**	**315,368**
Equity	**527,039**	**630,723**	**244,876**	**219,362**	**303,711**
Non-current liabilities	**3,060**	**16,135**	**117**	**-**	**-**
Current liabilities	**39,170**	**70,141**	**25,081**	**22,675**	**11,657**
Total equity and liabilities	**569,269**	**717,000**	**270,073**	**242,037**	**315,368**
Extract from the statement of cash flows					
Cash flow from operating activities	-130,110	-134,639	-62,641	-81,222	-86,551
Cash flow from investing activities	-5,957	-59,543	-	-	-
Cash flow from financing activities	-8,902	228,405	86,720	655	2,083
Cash and cash equivalents at the beginning of the year	287,850	255,101	229,876	309,531	393,998
Change in cash and cash equivalents	-144,969	34,223	24,079	-80,567	-84,468
Cash and cash equivalents at the end of the year	143,965	287,850	255,101	229,876	309,531
Number of shares at the end of the period	165,068,560	165,068,560	53,533,321	48,666,656	48,666,656
Average number of shares during the period	165,068,560	67,391,206	51,626,655	48,666,656	48,666,656
Earnings per share, before dilution	-0.6	-2.6	-1.2	-1.7	-1.8
Earnings per share, after dilution	-0.6	-2.6	-1.2	-1.7	-1.8
Equity per share before dilution	3.2	9.3	4.6	4.5	6.2
Equity per share, after dilution	3.2	9.3	4.6	4.5	6.2

INCOME STATEMENT & STATEMENT OF COMPREHENSIVE INCOME

(Amounts in SEK t)	Note	The Group Jan-Dec 2021	The Group Jan-Dec 2020	Parent Company Jan-Dec 2021	Parent Company Jan-Dec 2020
	1, 2, 3, 4				
Revenue					
Sales revenue	5	38,243	40,662	22,591	38,935
Other operating income	6	300	0	16,204	332
		38,543	**40,662**	**38,795**	**39,267**
Operating expenses					
Cost of sales of goods		-7,856	-1,895	-	-
Project costs	7	-88,671	-183,276	-54,949	-169,422
Other external costs	8, 9, 16	-14,513	-10,001	-14,417	-9,806
Employee costs	10, 11, 12	-30,131	-22,151	-30,174	-22,152
Depreciation/amortization and impairment of fixed assets		-2,455	-395	-43	-1
Other operating expenses	13	-598	-243	-463	-290
Operating profit (loss)		**-105,681**	**-177,299**	**-61,251**	**-162,403**
Profit (loss) from financial items					
Interest income and similar profit or loss items	14	1,327	163	1,299	163
Interest expenses and similar profit or loss items	14	-188	-888	-31	-885
Profit (loss) after financial items		**-104,542**	**-178,024**	**-59,982**	**-163,125**
Group contribution made		-	-	-68,000	-
Tax	15	-	-	-	-
Profit (loss) for the year		**-104,542**	**-178,024**	**-127,982**	**-163,125**
STATEMENT OF COMPREHENSIVE INCOME					
Other comprehensive income		-	-	-	-
Comprehensive income for the year		**-104,542**	**-178,024**	**-127,982**	**-163,125**

The year's profit (loss) and comprehensive income are entirely attributable to the Parent Company shareholders

Per share information	The Group Jan-Dec 2021	The Group Jan-Dec 2020
Number of shares at the end of the period	165,068,560	165,068,560
Average number of shares,	165,068,560	67,391,206
Earnings per share, before dilution (SEK)	-0.6	-2.6
Earnings per share, after dilution (SEK)	-0.6	-2.6

Per share information	Parent Company Jan-Dec 2021	Parent Company Jan-Dec 2020
Number of shares at the end of the period	165,068,560	165,068,560
Average number of shares,	165,068,560	67,391,206
Earnings per share, before dilution (SEK)	-0.4	-2.4
Earnings per share, after dilution (SEK)	-0.4	-2.4

BALANCE SHEET- Assets

(Amounts in SEK t)	Note	The Group 2021-12-31	The Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Non-current assets					
Research and development costs	16, 17	404,817	404,817	–	–
Licenses	18	6,490	7,571	–	–
Right-of-use assets		4,088	4,666	–	–
Equipment	19	187	75	152	23
Other financial assets	30	785	–	780	–
Total		**416,366**	**417,130**	**932**	**23**
Financial assets					
Shares and participations in Group companies	21	–	–	431,956	431,956
Total fixed assets		**416,366**	**417,130**	**432,889**	**431,979**
Current assets					
Current receivables					
Inventories		694	3,138	–	–
Accounts receivable		3,456	3,883	–	2,470
Other receivables		3,340	2,960	751	2,266
Prepaid expenses and accrued income	22	1,448	2,039	1,257	1,135
Cash and cash equivalents		143,965	287,850	138,946	285,830
Total current assets		**152,902**	**299,871**	**140,955**	**291,701**
TOTAL ASSETS		**569,269**	**717,000**	**573,843**	**723,680**

BALANCE SHEET - Equity and liabilities

(Amounts in SEK t)	Note	The Group 2021-12-31	The Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Equity					
Share capital	23	8,688	8,688		
Other contributed capital		1,262,837	1,262,837		
Reserves	12	1,305	448		
Retained earnings (losses), including loss for the year		-745,792	-641,250		
Restricted equity					
Share capital				8,688	8,688
Non-restricted equity					
Share premium reserve				636,235	799,360
Reserves				1,305	448
Profit (loss) for the year				-127,982	-163,125
Total equity		**527,039**	**630,723**	**518,246**	**645,371**
Non-current liabilities					
Other non-current liabilities	16, 19, 24	2,650	16,026	–	5,000
Provision for social security contributions	12	410	109	410	109
Total non-current liabilities		**3,060**	**16,135**	**410**	**5,109**
Current liabilities					
Liabilities to Group companies		–	–	38,173	19,209
Accounts payable		4,596	15,611	2,018	10,755
Other liabilities	19	17,179	14,542	7,571	5,840
Accrued expenses and deferred income	29	17,394	39,988	7,425	37,396
Total current liabilities		**39,170**	**70,141**	**55,187**	**73,199**
TOTAL EQUITY AND LIABILITIES		**569,269**	**717,000**	**573,843**	**723,680**
equity ratio		93%	88%	90%	89%

STATEMENT OF CASH FLOWS

(Amounts in SEK t)	Note	The Group Jan-Dec 2021	The Group Jan-Dec 2020	Parent Company Jan-Dec 2021	Parent Company Jan-Dec 2020
OPERATING ACTIVITIES					
Profit (loss) after financial items		-104,542	-178,024	-59,982	-163,125
Adjustment for items not included in cash flow	27	2,683	1,334	145	2,031
Paid tax/Tax received		–	–	–	–
Cash flow from operating activities before changes in working capital		**-101,859**	**-176,690**	**-59,837**	**-161,094**
Cash flow from changes in working capital					
Increase/decrease in operating receivables and inventory		3,082	16,428	3,863	8,978
Increase/decrease in operating liabilities		-31,333	25,624	-43,012	23,119
Cash flow from changes in working capital		**-28,251**	**42,052**	**-39,150**	**32,097**
Cash flow from operating activities		**-130,110**	**-134,639**	**-98,987**	**-128,997**
INVESTING ACTIVITIES					
Acquisition of companies		-5,000	-59,520	-5,000	-61,096
Group/shareholder contribution made/received		–	–	-43,000	–
Investments in financial assets		-785	–	-780	-6,000
Investments in PPE		-172	-24	-172	-24
Cash flow from investing activities		**-5,957**	**-59,543**	**-48,952**	**-67,120**
FINANCING ACTIVITIES					
New issue/option issue		–	250,750	–	250,750
Issue costs		–	-22,130	–	-22,130
Repayment of loan		-7,500	–	–	–
Cash outflow leasing agreements		-1,402	-215	–	–
Cash flow from financing activities		**-8,902**	**228,405**	**-**	**228,620**
Cash flow for the year		**-144,969**	**34,223**	**-147,940**	**32,502**
Cash and cash equivalents at the beginning of the year		287,850	255,101	285,830	254,800
Change in cash and cash equivalents		-144,969	34,223	-147,940	32,502
Exchange rate differences in cash and cash equivalents		1,084	-1,473	1,056	-1,473
Cash and cash equivalents at the end of the year		**143,965**	**287,850**	**138,946**	**285,830**
Disclosures on the statement of cash flow					
Interest paid		-35	-1	-31	-1
Interest received		106	163	106	163

CHANGE IN EQUITY - Group

The Group (SEK thousand)	Share capital	Other contributed capital	Retained earnings (losses), including loss for the year	Other reserves	Total equity
Opening equity 2020-01-01	**2,818**	**705,278**	**-463,220**	**–**	**244,876**
Comprehensive income for the year	–	–	-178,024	–	-178,024
Transactions with shareholders					
Non-cash issue	3,356	331,454	–	–	334,810
New share issue	2,514	248,236	–	–	250,750
Issue costs	–	-22,130	–	–	-22,130
Costs for share-based compensation program for employees	–	–	–	448	448
Closing equity 2020-12-31	**8,688**	**1,262,837**	**-641,250**	**448**	**630,723**
Opening equity 2021-01-01	**8,688**	**1,262,837**	**-641,250**	**448**	**630,723**
Comprehensive income for the year	–	–	-104,542	–	-104,542
Costs for share-based compensation program for employees	–	–	–	857	857
Closing equity 2021-12-31	**8,688**	**1,262,837**	**-745,792**	**1,305**	**527,039**

CHANGE IN EQUITY - Parent Company

	Restricted equity	Non-restricted equity			
Parent Company (SEK thousand)	**Share capital**	**Share premium reserve**	**Profit for the year**	**Other reserves**	**Total equity**
Opening equity 2020-01-01	**2,818**	**303,228**	**-61,427**	**–**	**244,619**
Transfer of last year's earnings	–	-61,427	61,427	–	-
Profit (loss) for the year	–	–	-163,125	–	-163,125
Non-cash issue	3,356	331,454	–	–	334,810
New share issue	2,514	248,236	–	–	250,750
Issue costs	–	-22,130	–	–	-22,130
Costs for share-based compensation program for employees	–	–	–	448	448
Closing equity 2020-12-31	**8,688**	**799,360**	**-163,125**	**448**	**645,371**
Opening equity 2021-01-01	**8,688**	**799,360**	**-163,125**	**448**	**645,371**
Transfer of last year's earnings	–	-163,125	163,125	–	-
Profit (loss) for the year	–	–	-127,982	–	-127,982
Costs for share-based compensation program for employees	–	–	–	857	857
Closing equity 2021-12-31	**8,688**	**636,235**	**-127,982**	**1,305**	**518,246**

NOTES

NOTE 1 - GENERAL INFORMATION

Egetis Therapeutic AB (publ.), CIN 556706-6724 is a public limited company with its registered office in Stockholm municipality in Sweden. The Group's main area of operations is drug development, which is also described in the Directors' Report. Reference to "the Company" means the Parent Company Egetis Therapeutics and reference to "Egetis" means the Group.

The Company has been listed on the Nasdaq Stockholm main market (STO: EGTX) since 31 October 2019. For more information, please see http://www.egetis.com.

The annual report and consolidated financial statements for the financial year 1 January 2021 to 31 December 2021 for Egetis Therapeutic AB, have been approved by the Board and CEO for publication on 20 April 2022 and will be submitted to the Annual General Meeting for adoption on 30 May 2022.

NOTE 2 - SIGNIFICANT ACCOUNTING AND VALUATION PRINCIPLES

The consolidated financial statements were prepared in accordance with the cost method. Unless otherwise stated, all amounts are in SEK thousands. Information in parentheses pertains to the prior year. Unless otherwise stated, all notes refer to both the Parent Company and the Group.

Basis for the preparation of the reports

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted within the EU. In addition, the consolidated financial statements are prepared in accordance with Swedish law via application of the Swedish Financial Reporting Board's RFR 1 *Supplementary Accounting Rules for Groups.* The Parent Company applies the Annual Accounts Act and *RFR 2 Accounting for Legal Entities*. More information is available in the section "Parent Company accounting policies".

Alternative key performance indicators

The Group applies the guidelines for alternative key figures issued by ESMA. Alternative key figures refer to financial measures of historical or future earnings development, financial position, financial results or cash flows that are not defined or specified in the applicable rules for financial reporting and that are central to the understanding and evaluation of the Group's operations.

New and amended standards applicable from 2021

A number of new standards, amendments to existing standards and interpretations enter into force for financial years starting after 1 January 2021. These new standards, amendments and interpretations are not expected to have a material impact on the Group's financial statements in current or future periods, nor on future transactions.

New standards and interpretations that have not yet been adopted by the Group

A number of new standards, amended standards and interpretations that have been published enter into force for financial years starting after 1 January 2022, but which have not been applied when preparing these financial statements. These new standards, amendments and interpretations are not expected to have a material impact on the Group's financial statements in current or future periods, nor on future transactions.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company's accounts and the companies in which the Parent Company has a direct or indirect controlling influence. A subsidiary refers to a company in which the Parent Company directly or indirectly owns more than half of the votes or otherwise controls the company. The Group has a controlling interest over a company when it is exposed to, or entitled to a variable return from, its holding in the company and it is able to affect such return via its controlling interest over the company. A subsidiary is included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group, which normally coincides with the acquisition date. A subsidiary is removed from the consolidated financial statements as of the date when the Group no longer has a controlling interest. Intra-Group transactions, balance sheet items, revenue, expenses and unrealized gains/losses on transactions between Group companies are eliminated.

Classification of company acquisitions in the consolidated financial statements

A company acquisition can be classified as either a business combination or an asset acquisition. For each specific acquisition, and individual assessment must be made. In order to report the transaction as a business combination in accordance with IFRS there must be an integrated quantity of activities and assets which, at a minimum, comprise one input and one significant process. The input and process must then be able to generate an output (return). If an acquisition does not currently generate output, but there is an identifiable asset that can generate output in the future, there must be an organized workforce in order to report it as a business combination. If the assessment is that the acquisition does not meet the criteria for reporting it as a business combination, it must be reported as an asset acquisition instead.

A Concentration Test can be applied to determine whether an acquisition is an asset acquisition. The key driver is that substantially all of the fair value of the gross assets acquired must be concentrated in a single identifiable asset or group of similar identifiable assets. If so, it is an asset acquisition.

Business combination

Acquisitions of operations are reported according to the acquisition method. At the time of acquisition, the acquisition value is determined by carrying out an acquisition analysis. The

analysis determines the acquisition value of the participations or operations, as well as the fair value of acquired identifiable assets, assumed liabilities and contingent liabilities. Group goodwill is calculated as the difference between the acquisition value of the subsidiary shares and the fair value of acquired identifiable assets as well as assumed liabilities and contingent liabilities. If, upon acquisition, holdings with a non-controlling interest in the acquired company remain, goodwill is calculated solely on the basis of the Group's share of the acquired company. Provisions are not made for future restructuring that is a consequence of the acquisition. Transaction costs in connection with business combinations are expensed directly. Consideration for the acquisition also includes the fair value of all assets and liabilities resulting from an agreement on contingent consideration. Deferred consideration is valued at amortized cost. Contingent consideration is valued based on the estimated future discounted value of the additional consideration.

Asset acquisition

For an asset acquisition, the cost of acquisition is allocated to the individual assets acquired and liabilities assumed on a relative fair value basis. For asset acquisitions, the transaction costs are added to the cost of acquisition. No goodwill arises with an asset acquisition and no initial deferred tax from temporary differences is recorded, since the acquisition has no impact on either reported or taxable earnings. Egetis' principle for recognition of contingent liabilities, such as future royalty streams to the sellers of an asset, is to report them at the rate that they arise. Accordingly, no such future additional payments are reported as part of the cost of acquisition.

Adjustment to the acquisition of Rare Thyroid Therapeutics

The acquisition of Rare Thyroid Therapeutics International AB in 2020 was incorrectly reported as a business combination in accordance with IFRS 3 instead of as an asset acquisition. For this transaction, it was primarily the intangible asset Emcitate that was acquired. The correction and accounting adjustments are detailed in Note 16.

Translation of receivables and liabilities in foreign currency

Functional currency and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (i.e. the functional currency). The Parent Company's functional currency, also the reporting currency, is Swedish kronor (SEK). The Group's reporting currency is Swedish kronor (SEK).

Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing on the transaction date. On the balance sheet date, monetary receivables and liabilities expressed in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. All exchange rate differences are reported in earnings. Exchange rate differences from items of an operating nature are reported in operating profit (loss) as other operating income and other operating expenses, respectively, while exchange rate differences regarding financial assets and liabilities are reported as financial income and financial expenses, respectively.

Revenue

The Group reports revenue from milestone payments, invoiced costs, performance of services and sale of goods. Furthermore, the Group receives revenue in the form of public aid. Revenue is reported in accordance with the description below.

Sales of goods

Sales of goods are reported as revenue when the control of the goods is transferred, which occurs when the goods have been delivered to the customer. Sales of the Group's product, Emcitate, are only to hospitals and pharmacies, based on prescription.

Milestone payments

Milestone compensation refers to partial payments received from partners that are governed by the fulfillment of a specific portion of a partner contract, such as obtaining regulatory approval on a jointly developed product. This type of revenue is recognized when the contractual event has occurred and it is certain that the revenue will be received.

Performance of services

Revenue recognition for service assignments occurs when the financial outcome for work performed can be calculated in a reliable manner and the financial benefits accrue to the Group. When the Group has a commitment to perform research and development tasks and the remuneration relates to services that the Group provides, these are recognized as revenue as the work is performed. Revenue from research collaborations are reported in the period in which the work is carried out.

Public aid

Government aid and other grants are recognized when the Company fulfills the conditions associated with the grants and it can be determined with certainty that the grants will be received. Grants that have been received are reported in the balance sheet as prepaid revenue and they are recognized as revenue in the period where the cost that the grant pertains to is recognized. In the income statement, government aid is reported as other revenue, except for government aid for social security contributions, which is reported as a reduction to employee benefit expenses.

Share-based remuneration programs that are regulated with equity

The Group applies IFRS 2 when reporting the stock option plan 2020/2024 and the stock option plan 2021/2025. The Group

has issued share allotment programs for employees, which are settled with shares in the Company. The cost of share-based payments is based on the fair value of the share rights on the allotment date. Share-based remuneration is reported as employee benefit expenses in the period it is earned, with a corresponding increase in equity. The Group reports a liability for social security contributions that includes all outstanding share-based payments. The value of the liability is determined at the end of each financial year and is based on the fair value of the share-based payment as of the balance sheet date, distributed over the vesting period. If the earnings period becomes shorter, or in the event of some other reduction or supplement, the period over which the costs are distributed is also shortened to reflect the change in the terms.

Intangible assets

Acquired intangible assets such as licenses are reported as assets in the balance sheet. Acquired intangible assets are initially valued at cost. The cost amount of intangible assets in conjunction with a company acquisition is the fair value at the time of acquisition. After initial recognition, intangible assets are reported at cost less amortization and any impairment losses. Intangible assets with a limited useful life are amortized over the useful life. Impairment testing is done on an annual basis or more frequently if there are any indications of impairment. Useful lives and amortization periods for intangible assets are evaluated at least once per year in conjunction with the year-end. Acquired intangible assets in the form of licenses are amortized over the useful life, which initially amounted to 10 years in the acquired company.

Research and development costs

Acquired research and development costs are reported as assets in the balance sheet. Due to the acquisition of RTT, SEK 405 million of the cost amount were classified as research and development projects pertaining to Emcitate. The cost amount does not include any estimated liabilities for future payments to the sellers. Additional payments to sellers of Emcitate are recognized as the obligations arise, as per the agreements that have been signed, and they are expensed in the income statement. Disclosures on contingent liabilities are reported in Note 32. Amortization of Emcitate will begin when Emcitate has obtained market approval and the value is intended to be amortized over the useful life.

Internal development expenditure for research and development

Research costs are expensed in the period that they arise. Intangible assets attributable to development expenses or a separate development project are only recognized when the Group can demonstrate that there are technical possibilities for carrying out the project, it has been assessed that the asset will give rise to future financial benefits and the expenses can be calculated reliably. Egetis assesses that these criteria are met in connection with the project undergoing Phase III studies, it being launched on the market and when the conditions for activation are otherwise met. Thus far, the Group has expensed all development expenditure since the aforementioned criteria for activation have not been met.

Property, plant and equipment

Property, plant and equipment is reported by the Group at cost less accumulated depreciation and any impairment losses. The cost amount consists of the purchase price and any costs directly attributable to putting the asset into use. The cost amount less deduction for the assessed residual value at the end of the useful life is depreciated over the useful life. The carrying amount of fixed assets is tested for impairment when events or changed conditions indicate that the carrying amount is less than the recoverable amount. At each year-end, the carrying amount and useful lives of fixed assets are evaluated and change, as needed. The cost amount of the assets less deduction for the assessed residual value at the end of the useful life is depreciated on a straight-line basis over the useful life. The estimated useful life for the Group's computers, IT tools, office equipment and laboratory equipment is three to five years.

Impairment

On a continual basis throughout the year, assessment is made as to whether there are indications that the value of assets may have become impaired. If any such indications exists, the asset's recoverable amount is calculated. For intangible assets that are not yet ready for use, the recoverable amount is calculated at least once per year. If it is not possible to determine essentially independent cash flows for an individual asset, the assets must be grouped to the lowest level where it is possible to identify essentially independent cash flows (a cash-generating unit). An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit exceeds the recoverable amount. Impairment losses are charged to the Income statement.

Calculation of recoverable amount

The recoverable amount equals the asset's net realizable value or the value-in-use, whichever is higher. Value-in-use is the present value of future cash flows, discounted using the rate based on the risk-free interest rate adjusted for the risk associated with the specific asset. For an asset that does not generate independent cash flows, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

Reversal of impairment

Impairment losses are reversed if, a subsequent increase in the recoverable amount can objectively be attributed to an event that occurred after the impairment loss was recognized. Impairment of goodwill is never reversed.

An impairment loss is only reversed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that the asset would have had if no impairment loss had been made.

Financial instruments
Financial instruments are reported in the balance sheet when the Group, in accordance with an agreement, takes part in the contractual rights to the instrument's cash flow. A financial asset is removed from the balance sheet when the contractual rights to the cash flow expire. A financial liability is removed from the balance sheet when the obligations have been settled, canceled or in some other manner extinguished.

The Group has financial assets and liabilities that are classified in the following categories:
- Financial assets at amortized cost
- Financial liabilities at amortized cost

Financial assets and liabilities reported in the balance sheet mainly consist of accounts receivable, cash and cash equivalents, accounts payable and accrued expenses to the Group's suppliers. From time to time, the Group has currency futures that are measured at fair value.

Financial assets at amortized cost are initially measured at fair value plus transaction costs. After the first reporting occasion, the assets are valued according to the effective interest method. Assets at amortized cost are held according to the business model for the purpose of collecting contractual cash flows that are only payments of principal and interest on the outstanding principal. Expected credit losses have been assessed as insignificant, since the company's financial assets essentially consist of bank balances with banks that have high credit ratings.

Financial liabilities at amortized cost are initially measured at fair value plus transaction costs. After the first reporting occasion, they are measured at amortized cost using the effective interest method.

Financial assets and liabilities measured at fair value through profit or loss consist of currency futures held to hedge currency risk in forecasted cash flows. Realized profit and unrealized gains and losses due to fluctuations in the fair values of the derivatives are recognized in earnings. As of 2021-12-31 there were no currency derivatives, neither were there any as of 2020-12-31.

Inventories
Inventories have been measured at the lower of their cost amount and its net realizable value on the balance sheet date. Net realizable value refers to the goods' estimated sales price less sales expenses. This valuation method takes into consideration any inventory obsolescence.

Cash and cash equivalents
Cash and cash equivalents consist of bank balances.

Equity
Ordinary shares are classified as equity. Transaction costs directly attributable to a new issue of ordinary shares or warrants are recognized, net after tax, in equity as a deduction from the emission proceeds.

Provisions
Provisions are reported in the balance sheet when the Group has an obligation (legal or informal) due to an event that has occurred and when it is probable that an outflow of resources associated with economic benefits will be required to meet the obligation and the amount can be calculated in a reliable way. If the Group expects to receive reimbursement corresponding to a provision that has been made, for example through an insurance contract, the reimbursement is reported as an asset in the balance sheet when it is essentially certain that the reimbursement will be received. If the effect of the time value for the future payment is deemed to be significant, the value of the provision is determined by calculating the estimated future payment's present value using a discount rate, before tax, that reflects the market's current valuation of the time value and any risks associated with the obligation. The gradual increase in the allocated amount that the present value calculation entails is reported as an interest expense in profit or loss. Provisions have been reported for social security contributions for employee stock option programs, see the section on share-based remuneration programs that are settled with equity, as well as Note 12.

Employee benefits
Short-term benefits
Short-term benefits to employees such as salary, paid vacation, paid sick leave, bonus, etc. are calculated without discounting and expensed in the period when the related services are performed. A provision for bonus payments is reported for the expected cost when the Group has a current legal or informal obligation to make such payments as a result of services provided by employees and the obligation can be calculated reliably.

Post-employment benefits
Within the Group, there are only defined contribution pension plans. Defined contribution pension plans mean that the Group pays contributions to a separate legal entity and the risks of any change in value prior to the funds being paid out fall on the employee. The Group thus has no further obligations after the fees have been paid. The pension costs for defined contribution pension plans are charged to earnings as employees perform their services. The obligations are calculated without discounting since payments for all plans fall due within 12 months.

Termination benefits

Termination benefits are paid when an employee is dismissed before the normal retirement date or when an employee accepts voluntary resignation from employment in exchange for such benefits. The Group reports severance pay when it is demonstrably obliged either to dismiss employees according to a detailed formal plan without the possibility of revocation, or to provide compensation in the event of termination as a result of an offer made to encourage a voluntary resignation from employment.

Leasing

The Group as lessee

All leasing agreements, except leasing agreements with a term of less than twelve months or leasing agreements where the underlying asset has a low value, are reported in the statement of financial position as right-of-use assets and interest-bearing lease liabilities.

The Group entered into two leasing agreements during the year for vehicles, and it also has a rental agreement for office premises, which have been classified as right-of-use assets. The Group has entered into a few other leasing agreements for office equipment. None of these lease agreements have been classified as right-of-use assets.

An agreement is classified as a leasing agreement if it offers the right to control the use of an identified asset for a certain period of time in exchange for compensation. The leasing period is the non-cancellable leasing period, where the possibility of extension or termination of the agreement is taken into account along with how reasonable it is that this option will or will not be exercised. A lease term of an agreement is not considered to be extended until the agreement has been signed by both parties, provided that both the lessor and the lessee have the right to terminate the agreement without penalties.

Agreements may include components that constitute leasing and components that do not. Non-leasing components in an agreement such as service fees, electricity, water, heating, etc. are set aside and are not included in the calculation of the value of the right-of-use asset, provided that it is possible to distinguish such costs.

The right of use asset is initially valued at the present value of the future leasing costs less any discounts and adjusted for any lease payments made before, or in connection with, the start of the agreement. The calculation includes variable lease payments that depend on an index or other comparable calculation basis.

The right-of-use assets are depreciated on a straight-line basis over the duration of the lease. Present value calculations of the future leasing costs shall be discounted using the implicit interest rate in the lease agreement. If the interest rate cannot be determined in a simple way, which is generally the case for the Group's leasing agreements, the lessee's marginal borrowing rate has been used. The marginal interest rate is the interest rate that the individual lessee would have to pay in order to borrow the funds required to obtain an asset of similar value to the right-of-use asset, if the economic environment, terms & conditions, security and other circumstances are the same. The marginal loan interest rate for Egetis has been estimated at two percent.

Income tax

Income tax consists of current tax and deferred tax. Income taxes are reported in the income statement except when the underlying transaction is reported in other comprehensive income or directly against equity. Current tax is tax that is to be paid or received for the current year, with application of the tax rates that have been decided or in practice decided on the balance sheet date. Included in that are any adjustments for current tax attributable to prior periods. Deferred tax is reported in accordance with the balance sheet method, meaning that deferred tax is calculated for all temporary differences identified on the balance sheet date, the difference between the tax values of the assets or liabilities on the one hand and their carrying amounts on the other. Deferred tax attributable to investments in subsidiaries and associated companies is not reported, since, according to current tax rules, capital gains on the shares are exempt from taxation. Deferred tax assets are only reported to the extent that it is probable that future taxable profits will be available and against which the temporary differences or unutilized loss carryforwards may be utilized. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize all or part of the deferred tax assets. Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply for the period in which the receivables or liabilities are settled, based on the tax rate (and the tax legislation) that exists, or in practice exists, on the balance sheet date. Deferred tax assets and liabilities are reported net in the balance sheet, provided that the tax payment is made with the net amount.

Statement of cash flows

The statement of cash flows show payments made and received. The indirect method has been used for operating activities. Items classified as cash and cash equivalents, besides cash-on-hand and bank balances, are short-term investments with an original maturity of less than three months.

Parent Company accounting policies

The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities, which essentially means that IFRS have been applied. The application of RFR 2 means that in the annual report for the legal entity, the Parent Company applies all of the IFRS approved by the EU and the interpretations, to the extent possible without deviating from what is stipulated in the Annual Accounts Act and with

consideration given to the relationship between accounting and taxation. The recommendation states which exceptions from, and additions to, IFRS should be made. Differences between the Parent Company's and the Group's accounting policies are presented below.

Classification and presentation
The income statement and balance sheet are prepared in accordance with the Annual Accounts Act. However, the statement of comprehensive income and statement of changes in equity have been prepared in accordance with IAS 1 Presentation of Financial Statements and the statement of cash flows has been prepared in accordance with IAS 7 Statement of Cash Flows. Differences between the consolidated financial statements and the Parent Company's income statement and balance sheet consist primarily of the reporting of equity and provisions, which are a separate heading.

Financial instruments
IFRS 9 is not applied in the Parent Company. Financial instruments are measured at cost less any impairment and current assets at the lower of cost and net realizable value. In subsequent periods, financial assets acquired with the intention of being held over the short term will be reported in accordance with the principle of cost or market value, whichever is lower. The policies for removal of financial assets and liabilities are consistent with the Group's accounting policies.

Leasing
The Parent Company does not apply IFRS 16 for leasing agreements. Instead, leasing fees are reported on a straight-line basis over the leasing period in the income statement. The Parent Company applies the exemption rules in accordance with RFR 2 and reports leasing agreements in accordance with these rules.

Subsidiaries
Shares in subsidiaries are reported in the Parent Company according to the cost method. The cost amount includes, in some cases, direct acquisition costs. Additional consideration is reported when it is assessed as likely to be paid. If, in future periods, it becomes clear that the initial assessment needs to be revised, an adjustment is made to the cost of acquisition for shares in subsidiaries.

Group contributions
Group contributions that have been made and received are reported as appropriations in the income statement.

NOTE 3 – FINANCIAL RISK MANAGEMENT

Financial risk management
The Group strives to minimize potential adverse effects of the unpredictability in the financial markets in which the Group operates. Risk management is managed by the Group's administrative department in accordance with policies established by the Board. The Group's main financial risks include foreign exchange risk, liquidity risk, credit risk and interest rate risk. In addition to what is described below regarding foreign currency risk, no significant financial risks are currently assessed to exist.

Currency risk
Currency risk pertains to the risk that the fair value of future cash flows fluctuate as a result of changes in exchange rates. The exposure to currency risk primarily stems from payment flows in foreign currency (transaction exposure), and from the translation of balance sheet items in foreign currency to the Group's presentation currency, which is SEK (balance sheet exposure).

The Group conducts operations internationally and it makes purchases for significant amounts, mainly in EUR and SEK. The Group manages this risk by holding cash and cash equivalents in some of the main global currencies, such as EUR and USD.

The following exchange rates have been used for the translation of balance sheets and income statements in the Group companies:

	Average rate		Closing rate	
Currency	**2021**	**2020**	**2021-12-31**	**2020-12-31**
EUR	10.14	10.49	10.23	10.04
USD	8.58	9.20	9.04	8.19
GBP	11.80	11.80	12.18	11.09

The Group's outflow primarily consists of SEK and EUR and its inflow primarily consists of EUR and GBP. The Group is thus affected by changes in these exchange rates.

The Group's exposure of financial assets and liabilities in various currencies as of the closing date is presented in the table, below.

Group - 2021

Currency	Accounts receivable	Cash and cash equivalents	Accounts payable	Total	+/-10%
EUR	1,810	1,074	-1,539	1,345	134
USD	-	22,573	-249	22,324	2,232
GBP	1,121	-	-119	1,002	100
Other currencies	170	-	-	170	17
Total currencies	**3,101**	**23,647**	**-1,907**	**24,841**	**2,484**
SEK	355	120,318	-2,689	117,984	-
Total	**3,456**	**143,965**	**-4,596**	**142,825**	**2,484**

Group - 2020

Currency	Accounts receivable	Cash and cash equivalents	Accounts payable	Total	+/-10%
EUR	3,521	6,535	-9,307	749	75
USD	-	807	-88	719	72
GBP	197	-	-206	-9	-1
Other currencies	-	13,571	-	13,571	1,357
Total currencies	**3,718**	**20,913**	**-9,601**	**15,030**	**1,503**
SEK	164	266,937	-6,010	261,091	-
Total	**3,882**	**287,850**	**-15,611**	**276,121**	**1,503**

A change in the relevant exchange rates of +/- 10 % in relation to the SEK, would, as of the closing date, have an earnings impact for the Group of +/- 2,484 (1,503) thousand.

Interest rate risk

Interest rate risk refers to the Group's exposure to changes in interest rates related to bank balances and loans. Because the Group's interest-bearing assets mainly relate to bank balances, the Group's operating cash flow is essentially independent of changes in market interest rates. The Group currently has no interest-bearing liabilities in addition to leasing liabilities, see Note 19.

Credit risk

Only investments in interest-bearing instruments with low credit risk and high liquidity are permitted. The Group works mainly with established and creditworthy counterparties and evaluates current receivables to ensure a low exposure regarding doubtful receivables. Historically, the Group has had very low credit losses. The Group has established rules for how doubtful receivables are to be managed and overdue invoices are written off based on the Group's established Doubtful receivables scale.

	The Group		Parent Company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Not yet due for payment	1,989	-	-	-
1– 30 days	370	3,866	-	2,470
31– 60 days	306	17	-	-
61– 90 days	57	-	-	-
91- days	787	-	-	-
Total	**3,510**	**3,883**	**-**	**2,470**

As of the closing date, the maximum exposure to credit risk for accounts receivable corresponds to the carrying amount of accounts receivables.

	The Group		Parent Company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Accounts receivable, gross	**3,510**	**3,883**	**-**	**2,470**
Doubtful debts				
Opening balance	-	-	-	-
Confirmed losses	-7	-	-	-
Provision for the year	-106	-	-	-
Reversal of provisions	59	-	-	-
Closing balance	**-54**	**-**	**-**	**-**
Accounts receivable, net	**3,456**	**3,883**	**-**	**2,470**

The Parent Company's customer invoices originate from Solasia and are invoiced in EUR. Most of RTT's customer invoices are invoiced in EUR and GBP. The subsidiary, RTT, provides license prescribed drugs to pharmacies and hospitals. The regular payment terms for customer revenue are 30 days.

Liquidity risk/Capital management

Liquidity risk refers to the risk that the Group will have problems fulfilling its obligations regarding its financial liabilities. Financing risk refers to the risk that the Group will not be able to obtain sufficient financing at a reasonable cost. The Group finances its operations to a significant extent with new share issue. The Group manages capital based on financing needs for efficient continued development of drug candidates and their commercialization.

Liquidity risk management is based on maintaining sufficient cash and cash equivalents. Liquidity risk is managed via continuous liquidity planning. The Company's current business plan and business focus have been assessed as being fully financed based on the current financial position and expected revenue streams from cooperation agreements.

All of the Group's and Parent Company's financial assets and liabilities are measured at amortized cost and are presented in the tables below, categorized as non-current and current assets and liabilities.

Financial assets measured at amortized cost

Group - 31 December 2021	**Non-current**	**Current**	**Total**
Financial assets	785	-	785
Accounts receivable	-	3,456	3,456
Cash and cash equivalents	-	143,965	143,965
Total financial assets	**785**	**147,421**	**148,206**
Financial assets measured at amortized cost			
Lease liabilities	2,650	1,502	4,152
Accounts payable	-	4,596	4,596
Deferred consideration	-	5,000	5,000
Other liabilities	-	7,500	7,500
Total financial liabilities	**2,650**	**18,598**	**21,248**

Financial assets measured at amortized cost

Group - 31 December 2020	**Non-current**	**Current**	**Total**
Accounts receivable	-	3,883	3,883
Cash and cash equivalents	-	287,850	287,850
Total financial assets	**-**	**291,733**	**291,733**
Financial assets measured at amortized cost			
Lease liabilities	3,526	1,141	4,667
Accounts payable	-	15,611	15,611
Deferred consideration	5,000	5,000	10,000
Other liabilities	7,500	7,500	15,000
Total financial liabilities	**16,026**	**29,252**	**45,278**

Financial assets measured at amortized cost

Parent Company - 31 December 2021	Non-current	Current	Total
Financial assets	780	-	780
Accounts receivable	-	-	-
Cash and cash equivalents	-	138,946	138,946
Total financial assets	**780**	**138,946**	**139,726**

Financial assets measured at amortized cost

Liabilities to Group companies	-	38,173	38,173
Accounts payable	-	2,018	2,018
Deferred consideration	-	5,000	5,000
Total financial liabilities	**-**	**45,191**	**45,191**

Financial assets measured at amortized cost

Parent Company - 31 December 2020	Non-current	Current	Total
Accounts receivable	-	2,470	2,470
Cash and cash equivalents	-	285,830	285,830
Total financial assets	**-**	**288,300**	**288,300**

Financial assets measured at amortized cost

Liabilities to Group companies	-	19,209	19,209
Accounts payable	-	10,755	10,755
Deferred consideration	5,000	5,000	10,000
Total financial liabilities	**5,000**	**34,964**	**39,964**

For assets valued at amortized cost, the carrying amount is assessed as being essentially the same as the fair value.

See the table below for an analysis of the Group's financial liabilities classified according to the time remaining until maturity as of the closing date. The amounts reported in the table are the contractual, undiscounted cash flows.

Maturity analysis for contractual and estimated payments for financial liabilities

Group - 31 December 2021	0– 3 months	4– 12 months	1– 5 years	More than 5 years
Lease liabilities	467	1,402	3,119	-
Accounts payable	4,596	-	-	-
Deferred consideration	1,250	3,750	-	-
Other liabilities	1,875	5,625	-	-
Total	**8,188**	**10,777**	**3,119**	**-**

Group - 31 December 2020	0– 3 months	4– 12 months	1– 5 years	More than 5 years
Lease liabilities	164	1,112	3,726	-
Accounts payable	15,611	-	-	-
Deferred consideration	1,250	3,750	5,000	-
Other liabilities	1,875	5,625	7,500	-
Total	**18,900**	**10,487**	**16,226**	**-**

NOTE 4 - IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group's financial statements have been prepared in accordance with IFRS. It means that the year-end accounts and application of accounting policies are frequently based on estimates and assumptions that are considered reasonable and well-balanced at the time the assessment is made. However, with other assessments, assumptions and estimates, the outcome may be different, and events may occur that could require a significant adjustment to the carrying amount of the asset or liability in question. Below is a presentation of the areas where estimates and assessments have been made that could have the greatest impact on the financial statements.

Acquisitions

The acquisition of Rare Thyroid Therapeutics International AB (RTT) in 2020 was based on information that had not been taken into account at the initial acquisition date, namely, the company's lack of important processes and staff required for generating output. Having reassessed the matter, the Company has concluded that the acquisition was reported incorrectly as a Business Combination in accordance with IFRS 3 instead of as an asset acquisition. For this transaction, it was primarily the intangible asset Emcitate that was acquired. For an asset acquisition of this nature, the identified asset Emcitate must therefore be reported in accordance with IAS 38 Intangible Assets and not as part of an acquisition analysis associated with a business combination as per IFRS 3. Other assessments than those made by management could result in an entirely different way of reporting the acquisition.

Impairment testing for acquired research and development expenses

Each year, in accordance with the accounting policies described in Note 2, the Group tests acquired intangible assets reported in the balance sheet for impairment. In connection with impairment testing, a valuation is made based on estimates and assumptions. Estimates other than those made by management may result in an entirely different outcome and a different financial position. More information is provided in Note 17, Segment reporting.

Deferred taxes

The Group's losses carried forward have not been assigned any value in the balance sheet as these are not expected to be utilized within the time period that applies to accounting valuation.

NOTE 5 - SALES REVENUE

Sales revenue is distributed by country as follows:	The Group		Parent Company	
	2021	2020	2021	2020
Japan	22,591	38,935	22,591	38,935
France	2,921	327	-	-
Spain	2,894	273	-	-
Sweden	1,324	83	-	-
UK	2,781	172	-	-
Other countries	5,732	872	-	-
Total	**38,243**	**40,662**	**22,591**	**38,935**

Sales to Japan are attributable to the segment PledOx and sales to other countries are attributable to the segment Emcitate. The PledOx segment has a customer for whom revenues relate to more than 10% of the segment's revenues. The revenue from this customer amounts to SEK 22,591 (38,935) thousand.

Sales revenue is distributed by type of revenue as follows:	The Group		Parent Company	
	2021	2020	2021	2020
Forwarding of expenses to Solasia	22,591	38,935	22,591	38,935
Sale of goods	15,652	1,727	-	-
Total	**38,243**	**40,662**	**22,591**	**38,935**

NOTE 6 – Other operating income

Other operating income	The Group		Parent Company	
	2021	2020	2021	2020
Intra-Group revenue from service agreements	-	-	12,469	332
Forwarding of expenses, intra-Group	-	-	3,735	-
Other operating income	300	-	-	-
Total	**300**	**-**	**16,204**	**332**

NOTE 7 – Segment reporting

The Group identifies two independent development areas for calmangafodipir, PledOx and Aladote. Besides that, the Group has also identified the development area, Emcitate. These three segments are independent R&D projects for which the chief operating decision maker in the company allocates company resources. The PledOx revenues consists of forwarding of expenses for the Asian part of the POLAR studies. The revenue for Emcitate is attributable to named patient use of the drug candidate. The table below specifies revenues and costs attributed to PledOx, Aladote and Emcitate. The Group has decided to park the PledOx project and will thus only be presenting the comparison figures where necessary. The post "Other" under "Joint" primarily consists of the Group's employee costs, depreciation/amortization, rental expenses and other non-project-related costs. See Note 5 from more information on sales per country.

2021 (Jan-Dec) (SEK thousand)	**PledOx**	**Aladote**	**Emcitate**	**Joint**	**Total**
External revenue	22,591	-	15,652	-	38,243
Cost of goods sold	-	-	-7,856	-	-7,856
Project costs	-32,367	-18,964	-37,340	-	-88,671
Other	-	-	-	-47,396	-47,396
Operating profit (loss)	**-9,776**	**-18,964**	**-29,545**	**-47,396**	**-105,681**
Net financial income/expense					**1,139**
Profit (loss) before tax					**-104,542**

2020 (Jan-Dec) (SEK thousand)	**PledOx**	**Aladote**	**Emcitate**	**Joint**	**Total**
External revenue	38,935	-	1,727	-	40,662
Cost of goods sold	-	-	-1,895	-	-1,895
Project costs	-153,692	-15,730	-13,854	-	-183,276
Other	-53	-	-	-32,738	-32,791
Operating profit (loss)	**-114,809**	**-15,730**	**-14,022**	**-32,738**	**-177,299**
Net financial income/expense					**-725**
Profit (loss) before tax					**-178,024**

NOTE 8 – Audit fees

Audit fees - Group	**2021**	**2020**
Audit assignment (BDO Mälardalen AB)	1,102	451
Audit work in addition to the audit assignment (BDO Mälardalen AB)	127	94
Other services (BDO LLP/ BDO Mälardalen AB)	145	414

Audit assignment - Parent Company	**2021**	**2020**
Audit assignment (BDO Mälardalen AB)	895	421
Audit work in addition to the audit assignment (BDO Mälardalen AB)	127	94
Other services (BDO Mälardalen AB)	132	414

Audit assignment refer to the auditor's work for the statutory audit and audit work in addition to the audit assignment refers to various types of quality assurance services. Other services are those that are not included in the audit assignment or other audit work, such as tax advice.

NOTE 9 - LEASING

IFRS 16 Leasing

	The Group	
Amounts reported in the income statement	**2021**	**2020**
Amounts reported in the income statement		
Depreciation of right-of-use assets	1,312	215
Interest expense for lease liabilities	154	3
Costs for short-term leases (included in other external costs)	110	960
Costs for lease agreements where the underlying asset has a low value (Included in other external costs)	53	43
Costs for variable leasing fees that is not rent (Included in other external costs)	6	11
Total	**1,635**	**1,232**

Total cash flow for leasing amounted to SEK 1,571 (1,229) thousand.

For information on the closing balance for right-of-use assets, lease liabilities and new right-of-use assets, please see Note 19.

Operating leases

	Parent Company	
	2021	**2020**
Lease expense	1,584	1,158
The nominal value of future leasing fees is distributed as follows:		
Remaining term as of December 31:		
Mature within 1 year	1,869	1,277
Between 2–5 years	3,119	3,726
More than 5 years	–	–
Total remaining term as of December 31	**4,988**	**5,003**

NOTE 10 – Employees

Average no. of employees	**2021**	**2020**
Average no. of employees was	11	9
of which women	6	3

Gender distribution, Board of Directors	**2021**	**2020**
Number of Board members	5	5
of which women	2	2

Gender distribution, Executive management	**2021**	**2020**
Number of members	5	6
of which women	1	1

Remuneration	**2021**	**2020**
Salaries and other remuneration	20,844	15,711
Social security contributions as per laws and agreements [1)]	5,339	3,835
Pension costs	4,466	3,224
Total remuneration	**29,554**	**21,573**

[1)]Government aid in the form of reduced employer contributions has been reported as a cost reduction by	2,083	1,420

NOTE 11 – Remuneration to the Board and CEO

2021 - Remuneration and other benefits during the year	Salary & board fees	Bonus	Cost of share based remuneration[3]	Other remuneration and benefits	Pensions	Total
Nicklas Westerholm (CEO)	2,526	657	509	234	808	4,733
Other senior executives (4) [1]	5,945	782	977	137	1,610	9,451
Total	**8,471**	**1,439**	**1,486**	**371**	**2,418**	**14,184**
Board of Directors						
Thomas Lönngren, Chairman (as of April 2021)	400	-	-	-	-	400
Mats Blom (as of April 2021)	110	-	-	-	-	110
Håkan Åström (until April 2021)	200	-	-	-	-	200
Sten Nilsson (until April 2021)	55	-	-	-	-	55
Gunilla Osswald	165	-	-	-	-	165
Elisabeth Svanberg	165	-	-	-	-	165
Peder Walberg[2]	-	-	-	-	-	-
Total	**9,566**	**1,439**	**1,486**	**371**	**2,418**	**15,279**

2020 - Remuneration and other benefits during the year	Salary & board fees	Bonus	Cost of share based remuneration	Other remuneration and benefits	Pensions	Total
Nicklas Westerholm (CEO)	2,455	229	182	87	666	3,619
Other senior executives (4)	4,501	150	193	-	1,125	5,969
Total	**6,956**	**379**	**375**	**87**	**1,791**	**9,588**
Board of Directors						
Håkan Åström, Chairman	600	-	-	-	-	600
Sten Nilsson	165	-	-	-	-	165
Gunilla Osswald	165	-	-	-	-	165
Elisabeth Svanberg	165	-	-	-	-	165
Marie Ekström Trädgårdh (until July 2020)	96	-	-	-	-	96
Peder Walberg (from November 2020)	-	-	-	-	-	-
Total	**8,147**	**379**	**375**	**87**	**1,791**	**10,780**

Notice of termination is six months when the CEO terminates the employment and nine months when the company terminates the employment. There is no special agreement on severance pay. The Company must provide health insurance in accordance with the Company's current policy.

[1)] The previous Chief Medical Officer Stefan Carlsson was included until April 2021, and the current Chief Medical Officer Kristina Sjöblom Nygren is included as of May 2021 and Chief Financial Officer Yilmaz Mahshid as of May 2021.
[2)] Peder Walberg has declined board fees.
[3)] The amounts reported refer to actual costs for share based remuneration. The recognized costs for the year amount to SEK 753 thousand.

Pension plans
All pension plans are defined contribution.

Remuneration to senior executives
The Board determines the remuneration of the CEO and other senior executives. The remuneration consists of salary, bonus and pension. The distribution of salary and bonus is based on each employee's responsibilities and authority. If the employment of the Company's CEO is terminated, a notice period of six months applies in the event of own termination and of nine months in the event of termination by the Company. There is no special agreement on severance pay. The Company must provide health insurance in accordance with the Company's current policy.

Remuneration guidelines to senior executives
The following proposal for remuneration guidelines for the CEO and other senior executives who, at any given time, are part of the Egetis executive management team was decided at the Annual General Meeting in April 2021 and applies until the next Annual General Meeting. To the extent that a Board member of the Company performs work for the Company in addition to their Board assignment, these guidelines shall also be applied to any remuneration paid to a Board member for such work.

The guidelines shall be applied to contractual remuneration, and any changes made to already agreed remuneration, after the guidelines are adopted at the 2021 AGM. The transfer of securities or the transfer of rights to acquire securities from the Company in the future are considered to be remuneration.

The guidelines do not apply to remuneration that is decided by the AGM, such as share-based incentive programs.

Executives who maintain a position as a member or deputy member of the Board of Directors of a Group company shall not receive special board remuneration for this.

How the guidelines contribute to the Company's business strategy, long-term interests and sustainability
Egetis' business strategy is conducted in accordance with the overall goal of building an innovative and competitive portfolio of new medicines focused on projects in late clinical development in the field of orphan drugs for the treatment of serious and rare diseases with significant medical needs. A successful implementation of the Company's business and sustainability strategy and the safeguarding of the Company's long-term interests presupposes that the Company can recruit and retain management with the right expertise and capacity to achieve the set goals.

These guidelines contribute to the Company's business strategy, long-term interests and sustainability by giving the Company the opportunity to offer senior executives competitive remuneration.

Types of remuneration
The Company's remuneration system shall be on competitive market terms. Remuneration may be paid in the form of fixed salary, variable remuneration, pension and other benefits.

Fixed salary must be individual for each individual executive and based on the executive's position, responsibility, expertise, experience and performance. The senior executive may be offered the opportunity to adjust the mix of fixed salary, pension and other benefits, provided that it is cost-neutral for the Company.

Variable remuneration shall be related to the achievement of the Company's goals and strategies and shall be based on predetermined and measurable criteria designed with the aim of promoting long-term value creation. The share of the total remuneration that consists of variable remuneration must be able to vary depending on the position. Variable remuneration may, however, correspond to a maximum of 50 percent of the senior executive's annual fixed salary. Variable remuneration may be pensionable. The Board of Directors is entitled to, by law or agreement, with the limitations that follow thereof, fully or partially demand repayment of variable remuneration that has been paid out on incorrect grounds.

Pension benefits shall be defined-contribution, insofar as the executive is not covered by defined-benefit pension in accordance with mandatory collective agreement provisions. The pension premiums for defined-contribution pensions may amount to a maximum of 40 percent of the senior executive's annual fixed salary.

Other benefits may include company car, occupational health care, life & health insurance and other similar benefits. Other benefits shall constitute a smaller proportion of the total remuneration and may correspond to a maximum of 10 percent of the senior executive's annual fixed salary.

Consultancy fees must be market-based. To the extent that consulting services are performed by a Board member of the Company, the Board member concerned is not entitled to participate in the Board's (or the Remuneration Committee's) treatment of matters concerning remuneration for the consulting services in question.

The AGM may also, and independent of these guidelines, decide on share-based payments and similar items.

Criteria for payment of variable remuneration
The criteria upon which the payment of variable remuneration is based shall be determined annually by the Board in order to ensure that the criteria are in line with Egetis' current business strategy and performance targets. The criteria can be individual or joint, financial or non-financial and must be designed in such a way that they promote the Company's business strategy, sustainability strategy and long-term interests. The criteria may, for example, be linked to the Company achieving certain goals within the framework of its clinical studies, that the Company initiates or completes a certain step or achieves a certain research result within the scope of its drug development activities, that the Company enters into research collaboration with a certain partner or that the Company enters into a certain agreement. The criteria can also be linked to the employee themself, for example, a requirement that they have worked at the Company for a certain period of time.

The period of time used for assessing whether or not certain criteria have been met must be at least one year. Furthermore, assessment of the extent to which criteria have been met shall be made after that period of time has expired. The assessment of whether financial criteria have been met shall be based on the most recently published financial information by the Company. The Board decides on the payment of any variable remuneration after the matter has been considered by the Remuneration Committee.

Salary and employment terms for employees
In order to assess the reasonableness of the guidelines, the Board has taken into account the salary and terms of employment for the Company's employees when preparing the proposal for these guidelines. In doing so, the Board has considered information on the total amount of remuneration paid to employees, the various components of that remuneration, how the remuneration level has changed over time and at what rate.

Notice period and severance pay
With regard to the CEO, the notice period in the event of termination by the Company shall not exceed nine months, while the notice period in the event of termination by the CEO shall not exceed six months.

With regard to senior executives other than the CEO, the notice period in the event of termination by the Company shall be a minimum of three months and a maximum of twelve months, while the notice period in the event of termination by the senior executive shall be a minimum of three months and a maximum of six months.

Severance pay can be paid to senior executives in the event of termination by the Company. Fixed salary during the notice period and severance pay shall not, in aggregate, exceed an amount corresponding to the fixed salary for two years.

Remuneration can be paid for a commitment to restrict competition. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former senior executive is not entitled to severance pay. The remuneration may amount to a maximum of 60 percent of the senior executive's fixed salary at the time of termination, unless otherwise follows from mandatory collective agreement provisions. Such remuneration may be paid during the period of the undertaking to restrict competition, which may not exceed twelve months after the termination of employment, with the possibility of offsetting against other income from employment or according to a consulting agreement.

NOTE 12 - SHARE-BASED REMUNERATION PROGRAMS

Stock option plan 2020/2024

The 2020 AGM resolved to set up a stock option plan for employees of Egetis Therapeutics for 3,000,000 stock options where each option would entitle the holder to subscribe for one (1) new share in the Company at a subscription price of SEK 12.20 per share. The duration of the stock option plan is 2020/2024. The options were distributed in April 2020, free of charge. The vesting period runs from the allotment date until May 2023 and is conditional on employment at Egetis Therapeutics not being terminated during the vesting period. The options were valued using the Black-Scholes model. Because Egetis Therapeutics carried out a rights issue in November 2020, the number of shares that each warrant entitles the holder to has been recalculated to 1.02 shares and the subscription price has been recalculated to SEK 11.93 per share in accordance with the terms of each warrant series.

Social security contributions attributable to share-based instruments to employees as compensation for services rendered are expensed in the periods during which the services are performed. The cost is calculated by applying the same valuation model that was used when the options were issued. The provision is revalued at each reporting period based on a calculation of the expected social security contributions to be paid when the instruments are settled. Egetis Therapeutics has issued 942,600 warrants to the Egetis Therapeutics subsidiary, Egetis Therapeutics I AB, in order to secure the costs for the social security contributions. The total number of issued warrants to Egetis Therapeutics I AB for the warrant program 2020/2024 amounts to 3,942,600, of which Egetis Therapeutics I AB in turn has allocated 2,900,000 warrants to the employees of Egetis Therapeutics.

Stock option plan 2020-2024	Valuation on 2020-04-24	Valuation on 2020-12-31	Valuation on 2021-12-31
Risk-free interest rate[1]	-0.27%	-0.35%	-0.21%
Value of the underlying share[2]	SEK 6.42	SEK 6.15	SEK 6.75
Duration[3]	4.0 years	3.3 years	2.3 years
Subscription price for new shares at subscription[4]	SEK 12.20/share	SEK 11.93/share	SEK 11.93/share
Value per option including liquidity discount	SEK 0.82/share	SEK 0.63/share	SEK 0.34/share
Volatility[5]	45.10%	43.20%	45.90%
Number of options	3,942,600	3,942,600	3,942,600
Expected dividend/repayment contribution during the term	0.00%	0.00%	0.00%

[1] The risk-free interest rate is set at the level of the return on a government bond with the same duration as the option.
[2] The value of the underlying share has been set at the volume-weighted payment price for the 10 trading days that are closest to the valuation date.
[3] As per the terms and conditions for the options, the options entitle the holder to subscribe for shares during the period 7 May 2023 until 7 May 2024.
[4] As per the terms and conditions for the options, the subscription price is 190 percent of the 10-day volume-weighted price.
[5] Volatility is calculated on the basis of the share price for the past five years, adjusted for extreme values.

Stock option plan 2021/2025

The 2021 AGM resolved to set up a stock option plan for employees of Egetis Therapeutics for 5,000,000 stock options where each option would entitle the holder to subscribe for one (1) new share in the Company at a subscription price of SEK 9.50 per share. The duration of the stock option plan is 2021/2025. The options were distributed in May 2021, free of charge. The vesting period runs from the allotment date until May 2024 and is conditional on employment at Egetis Therapeutics not being terminated during the vesting period. The options were valued using the Black-Scholes model.

Social security contributions attributable to share-based instruments to employees as compensation for services rendered are expensed in the periods during which the services are performed. The cost is calculated by applying the same valuation model that was used when the options were issued. The provision is revalued at each reporting period based on a calculation of the expected social security contributions to be paid when the instruments are settled. Egetis Therapeutics has issued 1,571,000 warrants to the Egetis Therapeutics subsidiary, Egetis Therapeutics I AB, in order to secure the costs for the social security contributions. The total number of issued warrants to Egetis Therapeutics I AB for the warrant program 2021/2025 amounts to 6,571,000, of which Egetis Therapeutics I AB in turn has allocated 4,900,000 warrants to the employees of Egetis Therapeutics.

During 2021, one senior executive terminated their employment. Two new senior executives were hired. As of 31 December 2021, a total of 7,800,000 of the warrants had been allocated to the employees of Egetis Therapeutics. See below for information on the options programs.

	Options program 2021/2025	Options program 2020/2024
Number of outstanding options 2021-01-01	-	2,900,000
Number of allocated options during the period	4,900,000	500,000
Number of forfeited options during the period	-	500,000
Number of outstanding options 2021-12-31	4,900,000	2,900,000
Cost for the year	1,020	138
Accumulated cost	1,020	695
Liability for social security contributions	244	166

Stock option plan 2021-2025	Valuation on 2021-05-17	Valuation on 2021-12-31
Risk-free interest rate[1]	-0.25%	-0.16%
Value of the underlying share[2]	SEK 5.97	SEK 6.75
Duration[3]	4.0 years	3.4 years
Subscription price for new shares at subscription[4]	SEK 9.50/share	SEK 9.50/share
Value per option including liquidity discount	SEK 0.91/share	SEK 0.76/share
Volatility[5]	45.00%	38.00%
Number of options	6,571,000	6,571,000
Expected dividend/repayment contribution during the term	0.00%	0.00%

[1] The risk-free interest rate is set at the level of the return on a government bond with the same duration as the option.
[2] The value of the underlying share has been set at the volume-weighted payment price for the 10 trading days that are closest to the valuation date.
[3] As per the terms and conditions for the options, the options entitle the holder to subscribe for shares during the period 18 May 2024 until 17 May 2025.
[4] As per the terms and conditions for the options, the subscription price is 190 percent of the 10-day volume-weighted price.
[5] Volatility is calculated on the basis of the share price for the past five years, adjusted from extreme values.

NOTE 13 - OTHER OPERATING EXPENSES

	The Group		Parent Company	
Other operating expenses	**2021**	**2020**	**2021**	**2020**
Exchange rate differences	-598	-243	-463	-290
Total	**-598**	**-243**	**-463**	**-290**

NOTE 14 - PROFIT (LOSS) FROM FINANCIAL ITEMS

	The Group		Parent Company	
Other interest income and similar profit or loss items	**2021**	**2020**	**2021**	**2020**
Interest income	106	163	106	163
Exchange rate gains	1,222	-	1,194	-
Total	**1,327**	**163**	**1,299**	**163**

	The Group		Parent Company	
Other interest expenses	**2021**	**2020**	**2021**	**2020**
Interest expenses and similar profit or loss items	-188	-1	-31	-1
Exchange rate losses	0	-888	0	-885
Total	**-188**	**-889**	**-31**	**-886**

NOTE 15 - TAX

The Group	2021	2020
Income tax		
Current tax for the year	-	-
Deferred tax expense relating to temporary differences	-	-
Total	**-**	**-**
Profit (loss) before tax	-104,542	-178,024
Income tax calculated according to the Company's current tax rate 20.6%/ 21.4%	21,536	38,097
Non-deductible expenses	-305	-83
Losses carried forward for which no deferred tax asset has been recognized	-21,231	-38,014
Tax expense	**-**	**-**

Parent Company	2021	2020
Income tax		
Current tax for the year	-	-
Deferred tax expense relating to temporary differences	-	-
Total	**-**	**-**
Profit (loss) before tax	-127,982	-163,125
Income tax calculated according to the Company's current tax rate 20.6%/ 21.4%	26,364	34,909
Non-taxable income		
Non-deductible expenses	-294	-81
Unrecognized costs		
Losses carried forward for which no deferred tax asset has been recognized	-26,070	-34,828
Tax expense	**-**	**-**

The Group's losses carried forward are estimated at SEK 815 (711) million and the Parent Company's losses carried forward are estimated at SEK 804 (677) million but no value has been assigned in the balance sheet as these are not expected to be utilized within the time period applicable for accounting valuation.

NOTE 16 - CORRECTION OF ERROR FOR ACQUISITION

The acquisition of Rare Thyroid Therapeutics International AB in 2020 was incorrectly reported as a business combination in accordance with IFRS 3 instead of as an asset acquisition. For this transaction, it was primarily the intangible asset Emcitate that was acquired. For an asset acquisition of this nature, the identified asset Emcitate must therefore be reported in accordance with IAS 38 Intangible Assets and not as part of an acquisition analysis associated with a business combination as per IFRS 3.

Because this transaction was reported as a business combination in the consolidated financial statements ending 2020-12-31, the carrying amount for intangible assets was too high. It also meant that the carrying amounts for liabilities were incorrect, specifically, deferred tax and the liability for additional consideration. In the parent company financial statements ending 2020-12-31, the value of shares in subsidiaries and the liability for additional consideration were incorrect.

To correct for this, the liability for additional consideration in both the consolidated and parent company financial statements must be reversed such that no deferred tax is reported in the consolidated financial statements. It also means that the value of the intangible asset Emcitate must be lowered by the amount corresponding to the liability and deferred tax that had been reported in the consolidated financial statements. The value of shares in subsidiaries reported by the parent company must also be lowered by the amount corresponding to the prior reported liability for additional consideration.

The prior reported liability for additional consideration is instead comprised of a contingent liability for royalties. See Note 32 Contingent liabilities for more information.

The compilation below shows the effects of this error correction, for the consolidated and parent company income statements and balance sheets ending 2020-12-31. Correction of the error has not had any impact on cash flow for either the group or parent company.

The Group

SEK thousand **2020-12-31**	**As per prior adopted annual report**	**Correction of error**	**After correction of error**
Balance sheet (extract)			
Research and development costs	581,784	-176,967	404,816
Other non-current liabilities	-74,242	58,216	-16,026
Deferred tax	-119,847	119,847	-
Net	**387,694**	**1,096**	**388,790**
Retained earnings (losses), including loss for the year	-642,346	1,096	-641,250
Total equity	**629,627**	**1,096**	**630,723**

Parent Company

SEK thousand **2020-12-31**	**As per prior adopted annual report**	**Correction of error**	**After correction of error**
Balance sheet (extract)			
Shares in subsidiaries	490,172	-58,216	431,956
Other non-current liabilities	-63,216	58,216	-5,000
Net	**426,956**	**0**	**426,956**
Equity	**645,371**	**0**	**645,371**

The Group

SEK thousand	**2020-12-31**	**Correction of error**	**2020-12-31 After correction**
Income statement (extract)			
Other external costs	-11,097	1,096	-10,001
Profit (loss) after financial items	**-179,120**	**1,096**	**-178,024**
Profit (loss) for the period	**-179,120**	**1,096**	**-178,024**

NOTE 17 - RESEARCH AND DEVELOPMENT COSTS

The carrying amount consists entirely of the acquired development project, Emcitate. Amortization will begin when Emcitate has obtained market approval and the amount is intended to be amortized over the useful life.

The Group	2021	2020
Opening cost	404,817	-
Acquisition via companies	-	404,817
Closing accumulated cost	**404,817**	**404,817**
Opening depreciation	-	-
Depreciation according to plan for the year	-	-
Divestments	-	-
Closing accumulated depreciation	-	-
Closing residual value according to plan	**404,817**	**404,817**

Testing of impairment for capitalized R&D costs

Assessment of the value of the Group's capitalized R&D costs is solely based on the value-in-use. The value-in-use is based on the net cash flows expected to be generated during the asset's exclusivity life. The future cash flows used for the calculation of the asset's value-in-use are based on the forecasted growth in sales, future operating margins, likelihood of approval and launch year. The present value of future cash flows has been calculated using a discount rate of 10.0 (10.0) percent. The discount rate corresponds to Egetis' assessed average capital cost, which means the weighted sum of the return requirement on equity and cost of externally borrowed capital. With a discount rate of 10.0 (10.0) percent, the values-in-use exceed the carrying amount of the asset. Because of that, there is no write-down requirement as of 2021-12-31. The Company's important assumptions (which means assumptions about things that would have a major impact on cash flows if circumstances change) pertain to the discount period and currency. Group management has assessed that reasonably expected changes in the circumstances underlying its assumptions would not, individually, have such a large impact on the recoverable amount that it would fall below the carrying amount.

NOTE 18 - LICENSES

The carrying amount refers to the acquired license agreement, where RTT has obtained an exclusive license from Erasmus Medical Center in Rotterdam (EMC) pertaining to EMC's data and know-how on the research in thyroid hormone signaling (including data from clinical studies). The remaining period for amortization of acquired licenses is 6 years.

The Group	2021	2020
Opening cost	7,752	-
Acquisition via companies	-	7,752
Closing accumulated cost	**7,752**	**7,752**
Opening depreciation	-180	-
Depreciation according to plan for the year	-1,082	-180
Divestments	-	-
Closing accumulated depreciation	**-1,262**	**-180**
Closing residual value according to plan	**6,490**	**7,571**

NOTE 19 - RIGHT-OF-USE ASSETS

The Group	2021	2020
The amounts presented below reported in the balance sheet pertain to right-of-use assets		
Premises	3,470	4,638
Other	618	28
Closing carrying amount	**4,088**	**4,666**
Lease liabilities		
Current (Other liabilities)	1,502	1,141
Non-current (Other non-current liabilities)	2,650	3,526
Carrying amount	**4,152**	**4,667**
Adjustments to new and removed right-of-use assets during the financial year 2021 (2020)	**360**	**4,758**

The Group	2021	2020
Opening cost	5,097	339
Acquired right-of-use assets	801	4,758
Terminated right-of-use assets	-441	-
Closing accumulated cost	**5,457**	**5,097**
Opening depreciation	-431	-216
Depreciation on removed right-of-use assets	374	-
Depreciation according to plan	-1,312	-215
Closing accumulated depreciation	**-1,369**	**-431**
Closing carrying amount	**4,088**	**4,666**

For maturity analysis regarding lease liabilities, see note 3.

NOTE 20 - EQUIPMENT

The Group	2021	2020
Opening acquisition value	79	-
Acquisition via companies	-	55
Acquisitions	172	24
Divestments	-	-
Closing accumulated acquisition value	**251**	**79**
Opening depreciation	-4	-
Depreciation according to plan	-61	-4
Divestments	-	-
Closing accumulated depreciation	**-65**	**-4**
Closing residual value according to plan	**187**	**75**

Parent Company	2021	2020
Opening acquisition value	24	-
Acquisitions	172	24
Divestments	-	-
Closing accumulated acquisition value	**196**	**24**
Opening depreciation	-1	-
Depreciation according to plan	-43	-1
Divestments	-	-
Closing accumulated depreciation	**-44**	**-1**
Closing residual value according to plan	**152**	**23**

NOTE 21 - SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2021	2020
Opening acquisition value	432,023	117
Acquisitions	-	405,906
Shareholder contribution	-	26,000
Closing accumulated acquisition value	**432,023**	**432,023**
Opening impairment	-67	-67
Impairment for the year	-	-
Closing accumulated impairment	**-67**	**-67**
Closing carrying amount	**431,956**	**431,956**

The Parent Company has shares in the following subsidiaries:

					Carrying amount	
Name	**CIN**	**Registered office**	**Share of equity**	**Number of shares**	**2021**	**2020**
Rare Thyroid Therapeutics International AB	556919-5109	Stockholm	100%	510,000	431,906	431,906
Egetis Therapeutics Incentive AB	556884-8492	Stockholm	100%	500	50	50
Total					**431,956**	**431,956**

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

	The Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Insurance premiums	846	1,102	663	747
Rental of premises	453	322	453	253
Other items	149	616	141	135
Total	**1,448**	**2,039**	**1,257**	**1,135**

NOTE 23 - SHARE CAPITAL

Year	Event	Change in number of shares	Change in share capital, SEK	Total number of shares	Total share capital, SEK	Quotient value per share, SEK
2006	New formation	100,000	100,000	100,000	100,000	1.00
2007	New share issue	88,000	88,000	188,000	188,000	1.00
2008	New share issue	18,800	18,800	206,800	206,800	1.00
2009	New share issue	25,850	25,850	232,650	232,650	1.00
2010	New share issue	68,666	68,666	301,316	301,316	1.00
2011	Bonus issue	-	301,316	301,316	602,632	2.00
2011	New share issue	46,813	93,626	348,129	696,258	2.00
2011	Split	12,880,773	-	13,228,902	696,258	0.05
2011	New share issue	7,018,873	369,414	20,247,775	1,065,672	0.05
2013	New share issue	1,687,314	88,806	21,935,089	1,154,478	0.05
2014	New share issue	1,687,314	88,806	23,622,403	1,243,284	0.05
2014	New share issue	4,724,480	248,657	28,346,883	1,491,941	0.05
2015	New share issue/TO	42,000	2,211	28,388,883	1,494,152	0.05
2016	New share issue	20,277,773	1,067,252	48,666,656	2,561,404	0.05
2019	New share issue	4,866,665	256,140	53,533,321	2,817,544	0.05
2020	Non-cash issue	63,773,345	3,356,493	117,306,666	6,174,038	0.05
2020	New share issue	9,523,809	501,253	126,830,475	6,675,291	0.05
2020	New share issue	38,238,085	2,012,532	165,068,560	8,687,822	0.05

The share capital as of 31 December 2021 amounted to SEK 8,687,822 allocated across 165,068,560 shares with a quotient value of approximately SEK 0.05 per share. The Company has only issued shares of one class and all outstanding shares are fully paid. The Egetis Therapeutics Articles of Association state that the share capital shall amount to a minimum of SEK 5,000,000 and a maximum of SEK 20,000,000 and that the number of shares shall amount to a minimum of 95,000,000 shares and a maximum of 380,000,000 shares. At general meetings of shareholders, each share entitles the holder one (1) vote each. Each share entitles the holder to an equal share in the Company's assets and profits.

The table above shows the historical growth of the Company's share capital.

NOTE 24 – OTHER NON-CURRENT LIABILITIES

The Group	2021	2020
Deferred consideration	-	5,000
Lease liability	2,650	3,526
Other non-current liabilities	-	7,500
Total	**2,650**	**16,026**

Parent Company	2021	2020
Deferred consideration	-	5,000
Total	**-**	**5,000**

NOTE 25 – LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

The below table presents a reconciliation of changes in liabilities divided by cash flow and non-cash flow activities due to lease liabilities and other liabilities that are attributable to financing activities:

			Not impacting cash flow		
	2020-12-31	Cash flow	Acquisition of companies	New lease agreements	2021-12-31
Lease liabilities	4,666	-1,402	-	888	4,152
Other liabilities	15,000	-7,500	-	-	7,500
Closing balance	**19,666**	**-8,902**	**-**	**-**	**11,652**

			Not impacting cash flow		
	2019-12-31	Cash flow	Acquisition of companies	New lease agreements	2020-12-31
Lease liabilities	117	-215	-	4,764	4,666
Other liabilities	0	0	15,000	-	15,000
Closing balance	**117**	**-215**	**15,000**	**4,764**	**19,666**

NOTE 26 – ACCRUED EXPENSES AND DEFERRED INCOME

	The Group		Parent Company	
	2021	2020	2021	2020
Accrued salaries and vacation pay	3,897	2,474	3,897	2,254
Accrued social security contributions	1,225	930	1,225	626
Accrued Board fees, including social security contributions	236	106	236	106
Project-related costs	7,183	34,136	531	32,764
Other items	4,854	2,342	1,536	1,645
Total	**17,394**	**39,988**	**7,425**	**37,396**

NOTE 27 – ITEMS NOT INCLUDED IN CASH FLOW

The Group	2021	2020
IFRS 2 Share-based Payment	1,158	557
Other	154	4
Depreciation/amortization	2,455	395
Unrealized exchange rate difference	-1,084	1,473
Total	**2,683**	**2,430**

Parent Company	2021	2020
IFRS 2 Share-based Payment	1,158	557
Depreciation/amortization	43	1
Unrealized exchange rate difference	-1,056	1,473
Total	**145**	**2,031**

NOTE 28 – RELATED PARTY TRANSACTIONS

Purchases and sales with related parties are at the going market rate. Transactions between the Parent Company and subsidiaries pertain to service and management fees. Salaries and remuneration to the Board of Directors and executive management team are detailed in Note 11. The prior Chairman of the Board, Håkan Åström, received SEK 634 thousand in guarantee compensation in conjunction with the 2020 new share issue. Peder Walberg's company, Cetoros AB, receives regular payments for consulting services, as performed. In 2021, Cetoros AB received a total of SEK 1,614 (392) thousand for consulting services. Besides this, there were no other transactions with related parties during the year.

NOTE 29 – EVENTS AFTER THE END OF THE FINANCIAL YEAR

- Favorable interactions with the regulatory agencies have clarified the steps that lie ahead for Emcitate to obtain regulatory approval.
- The extraordinary general meeting of shareholders on 13 April 2022 resolved on a fully guaranteed preferential rights issue of SEK 180 million (before issue costs).
- In February 2022, Russia initiated an invasion of Ukraine. A continuation and/or further escalation of the conflict could have a significant negative impact on the global macroeconomic situation and the Swedish economy. It could result in the Company or its partners not being able to run R&D work according to plan.
- Received Orphan Drug Designation (ODD) for Emcitate for treatment of RTH-Beta in the USA.
- The results from discussions with the regulatory authority increase the likelihood of success for Emcitate and obtaining a Rare Pediatric Disease Priority Review Voucher (PRV) in the USA.

NOTE 30 - PLEDGED ASSETS

	The Group		Parent Company	
	2021	2020	2021	2020
Blocked bank funds (Other financial assets)	780	-	780	-
Total	**780**	**-**	**780**	**-**

NOTE 31 – EARNINGS PER SHARE

The Group	2021	2020
Earnings per share, before dilution (SEK)	-0.6	-2.6
Earnings per share, after dilution (SEK)	-0.6	-2.6
Number of shares at the end of the period	165,068,560	165,068,560
Average number of shares,	165,068,560	67,391,206
Average number of shares, before and after dilution	165,068,560	67,391,206

Earnings per share are based on the year's earnings attributable to the Parent Company's shareholders divided by the average number of outstanding shares.

NOTE 32 - CONTINGENT LIABILITIES

Egetis has a contractual obligation to, with a future sale of Emcitate, make payments to the prior owners of Rare Thyroid Therapeutics International AB and Erasmus Medical Center for an amount equal to a low, two-digit percentage of the net sales of the product. The prior owners are also entitled to a one-time payment that corresponds to 50% of the net consideration from a future sale of US Rare Pediatric Disease Priority Review Voucher (PRV).

NOTE 33 – DISTRIBUTION OF PROFIT OR LOSS

Appropriation of earnings

The following funds are at the disposal of the AGM:

Share premium reserve	636,235,385
Profit (loss) for the year	-127,982,423
Total	**508,252,963**

The Board proposes that SEK 508,252,963 is carried forward.

NOTE 34 - DEFINITIONS OF KEY FIGURES THAT ARE NOT DEFINED IN ACCORDANCE WITH IFRS

		2021	2020
A	Equity, SEK thousand	527,039	630,723
B	Total assets, SEK thousand	569,269	717,000
A/B	**Equity ratio,%**	**93%**	**88%**
A	Profit (loss) for the year, SEK thousand	-104,542	-178,024
B	Equity, SEK thousand	527,039	630,723
A/B	**Return on equity,%**	**neg.**	**neg.**
A	Cash flow from operating activities, SEK thousand	-130,110	-134,639
B	Average number of shares during the period before dilution, SEK thousand	165,069	67,391
A/B	**Cash flow from operating activities per share, SEK**	**-0.8**	**-2.0**
A	Equity, SEK thousand	527,039	630,723
B	Average number of shares during the period before dilution, in thousands	165,069	67,391
A/B	**Equity per average number of shares before dilution, SEK**	**3.2**	**9.4**
A	Equity, SEK thousand	527,039	630,723
B	Average number of shares during the period after dilution, in thousands	165,069	67,391
A/B	**Equity per average number of shares after dilution, SEK**	**3.2**	**9.4**

Ratios that have been calculated according to IFRS

Earnings per share before dilution
Profit (loss) for the year divided by the average number of shares before dilution.

Earnings per share after dilution
Profit (loss) for the year divided by the average number of shares after dilution.

Number of shares at the end of the period
Number of issued shares before dilution at the end of the period.

Average number of shares during the period
Weighted average of the number of outstanding shares during the period.

Ratios that have not been calculated according to IFRS

Equity ratio, %
The Company defines the key figure as follows: The period's closing equity divided by the period's closing total assets. The Company uses the alternate key figure for Equity ratio because it shows the proportion of total assets represented by shareholders' equity and it has been included to enable investors to assess the company's capital structure.

Equity per share before dilution
The Company defines the key figure as follows: Equity divided by number of shares before dilution at the end of the period. The Company uses the alternate key ratio Equity per share before dilution because the Company believes that the key ratio gives investors a better understanding of the historical return per share adjusted for changes in the number of shares outstanding during the period.

Equity per share, after dilution
The Company defines the key figure as follows: Equity divided by number of shares outstanding at the end of the period. The Company uses the alternate key ratio Equity per share after dilution because the Company believes that the key ratio gives investors a better understanding of the historical return per share adjusted for changes in the number of shares outstanding during the period.

Abbreviations and explanations

AHDS:	Allan-Herndon-Dudley syndrome (another name for MCT8 deficiency)
Aladote:	Brand name for calmangafodipir
ALT:	alanine aminotransferase (a liver enzyme whose blood levels can show liver damage)
BMI:	Body Mass Index (a measure of body fat based on height and weight)
BPM:	Beats per minute (heart rate)
Calmangafodipir:	The active substance in Aladote. An easily soluble small enzyme-like molecule that is relatively easily absorbed by a cell (LowMEM, Low Molecular Enzyme Mimetic).
CK:	Creatine Kinase
CMC and Supply Chain	Chemistry, Manufacturing and Control, i.e. the manufacturing process of a drug and its supply chain
EMA:	European Medicines Agency (EU regulatory agency for pharmaceuticals)
Emcitate:	Brand name for tiratricol
Fast Track Designation:	With Fast Track Designation, it is possible speed up both the submittal and FDA review of a New Drug Application (NDA), thereby leading to a quicker market approval for the drug.
FDA:	Food and Drug Administration (regulatory agency for pharmaceuticals in the USA)
First-in-class	The first drug of its kind for a certain type of treatment
GMFM:	Gross Motor Function Measure
IFRS:	International Financial Reporting Standards (international standards for preparing the financial statements of a company/ organization)
MAA:	Marketing Authorisation Application (the application for market approval of a drug in the EU)
MCT8:	Monocarboxylate transporter 8 (the membrane transporter that is defective when there is MCT8 deficiency)
MHRA:	Medicines and Healthcare products Regulatory Agency (regulatory agency for pharmaceuticals in the UK)
NDA:	New Drug Application (the application for market approval of a drug in the USA)
Priority Review Voucher (PRV):	Allows for a quicker FDA review than what applies for other drug candidates, regardless of indication, and thereby shortens the time to launch in the USA. The voucher may be sold or transferred to another sponsor.
Primary efficacy endpoint:	The variable that is most relevant and which will be measured in a clinical study
Rare Pediatric Disease (RPD) status:	Issued by the FDA to develop drugs for rare childhood diseases. In connection with market approval, sponsors who have an RPD, and who meet the requirements, can apply for a US Rare Pediatric Disease Priority Review Voucher (see above)
SHBG:	Sex hormone binding globulin
Orphan Drug Designation (ODD):	Orphan Drug Designation in the USA can be obtained if it can be shown that less than 200,000 people per year are affected and that the scientific rationale as well as the clinical results from the completed proof-of-principle study indicate that the drug candidate has potential.
T3:	Triiodothyronine
T4:	Thyroxine
Tiratricol:	The active substance in Emcitate

THE BOARD OF DIRECTORS' AND CEO'S SIGNATURES

The undersigned individuals ensure that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting principles, respectively, and that they provide a true and fair view of the Group's and Parent Company's position and earnings, also, that the Directors' report provides a true and fair overview of the Group's and Parent Company's operations, position and earnings, along with describing the significant risks and uncertainties that the Parent Company and companies belonging to the Group face.

Stockholm, April 14, 2022

Thomas Lönngren
Chairman of the Board

Mats Blom
Board member

Gunilla Osswald
Board member

Elisabeth Svanberg
Board member

Peder Walberg
Board member

Nicklas Westerholm
President/CEO

Our audit report was issued on April 14, 2022

BDO Mälardalen AB

Karin Siwertz
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Egetis Therapeutics AB (publ) corporate identity number 556706-6724

Report on the Annual Accounts and Consolidated Accounts

Opinions

We have audited the annual accounts and consolidated accounts of Egetis Therapeutics AB (publ) for the financial year 2021. The annual accounts and consolidated accounts of the company are included on pages 51-91 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 the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company, and for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the audit committee of the parent company 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 the parent company and the group 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 and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion on, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Impairment of capitalized expenditures for research and development and shares in subsidiary

Key Audit Matter

Capitalized expenses for research and development amount to SEK 404.8 million in the balance sheet of the group and shares in subsidiaries amount to SEK 431.9 million in the balance sheet of the parent company.

Capitalized expenses for research and development relating to the drug candidate Emcitate, was identified in the acquisition of shares in the subsidiary performing the development project. The carrying amount of the assets depends on future approval of the drug candidate and future returns and profitability of the drug. Impairment testing is performed when there is an indication of impairment. However, in the case of research and development that has not been finalized, the company annually tests that the carrying amount does not exceed the estimated recoverable amount.

The recoverable amounts are determined by calculating the net present value of future cash flows and are based on the expected outcome based on a number of assumptions and assessments such as sales, growth, investment needs and discount rate. The expected outcome of these assumptions implies material assessments due to the imbedded uncertainty in forecasts and in discounting the future cash flows, that form the basis for the calculation of the recoverable amount. Management has not identified any impairment requirement during 2021.

We have focused on these items because of the carrying amounts being material in relation to total assets and impairment testing also might be sensitive to changes in assumptions. The items are therefore significant for our review.

For further information, please refer to Note 2 accounting policies, Note 4 important estimates and assumptions for accounting purposes and Note 17 intangible assets.

Our response

Our audit procedures have included, among other things, an evaluation of the reasonableness of the chosen method, of the calculations made, of the suitability of the assumptions made and of the reasonableness of the methodology used by management in preparing forecasts. This means, among other things, that we:

- compared observable inputs against independent sources and externally available market data as well as performing an assessment of reasonableness of non-observable inputs.
- gained an understanding of and assessed the reasonableness of business plans
- verified used inputs in calculations with budgets and business plans
- performed re-calculations of the impairment model
- based on our understanding of the risks associated with the asset has assessed the reasonableness of material assumptions used to determine cash flow forecasts, long-term growth and discount factors.
- stress tested the headroom by performing sensitivity analysis.

Financing, liquidity and going concern

Key Audit Matter

Drug development is a capital-intensive, complicated and risky process. The company is focused on research and development of orphan drugs, drugs for the treatment of serious and rare diseases. This development entails significant costs during the development period leading up to commercialization. The company relies on capital injections from shareholders to ensure financing of the business as the company's revenues are limited.

At the extraordinary general meeting on April 13, 2022, the shareholders decided to carry out the guaranteed preferential rights issue of SEK 180 million proposed by the Board of Directors in March 2022. The board of directors and management assess, based on existing forecasts, that the capital injection ensures that going concern is fulfilled for the next twelve months.

For further information, please refer to the company's annual report on pages 51-57, Note 3 regarding capital management and note 29 subsequent events.

Our response

We have considered the board's decision prepare the annual report based on the going concern. We have assessed the company's liquidity forecasts and considered the reasonableness and support for the assessments that form the basis of the forecasts. We have discussed with management how assumptions have been made and have considered these in our assessment.

We have discussed with management the company's future plans and sources of funding and evaluated these in relation to our knowledge of the company and our previous experience. We have also reviewed formalia documents regarding the guaranteed preferential rights issue.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-49 and 97. The board of directors and the managing director are responsible for this other information.

Our opinion on the annual accounts and consolidated 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 and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated 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 consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. 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 and consolidated accounts that are free from material misstatement, whether due to fraud or error.
In preparing the annual accounts and consolidated accounts, the board of directors and the managing director are responsible for the assessment of the company's and the group'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 have no realistic alternative but to do so.

The audit committee shall, without prejudice to the board of directors' 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 and consolidated 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. Reasonable 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 and consolidated accounts. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated 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 and consolidated 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 and the group'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 and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated 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 a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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 potential 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, 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 and consolidated accounts, we have also audited the administration of Egetis Therapeutics AB (publ) for the year 2021 and the proposed appropriations of the Company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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 and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organization and administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and company's financial affairs otherwise are controlled in a reassuring manner. The managing director shall manage the ongoing administration according to the board of director's guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law to 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 skepticism 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 Esef report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the board of directors and the managing director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 (a) of the Swedish Securities Market Act (2007:528) for Egetis Therapeutics AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Egetis Therapeutics AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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 Esef report in accordance with the Chapter 16, Section 4 (a) of the Swedish Securities Market Act (2007:528), and for such internal control that the board of directors and the managing director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements. The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the board of directors and the managing director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the board of directors and the managing director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

BDO Mälardalen AB with Karin Siwertz as auditor in charge, Box 6343, 102 35 Stockholm, was appointed auditor of Egetis Therapeutics AB by the general meeting of the shareholders on April 29, 2021 and has been the company's auditor since February 23, 2011.

Stockholm April 14, 2022

BDO Mälardalen AB

Karin Siwertz
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

AGM AND CALENDAR

Financial calendar

Interim report January-March 2022	April 26
Annual General Meeting (AGM)	May 30
Interim report April-June 2022	August 19
Interim report July-September 2022	November 8

Annual General Meeting (AGM)

The AGM for Egetis Therapeutics AB will be held on Monday, May 30, 2022. Shareholders wishing to participate in the meeting must be entered in the share register kept by Euroclear Sweden AB on Monday, May 2, 2022. Shareholders who have had their shares registered with a nominee should, in good time before this date, instruct the nominee to temporarily register the shares in their own name in order to have the right to participate in the meeting. When, at the request of the shareholder, this is done by the nominee no later than May 4, 2022, it will be included in the share register.

Shareholders who would like to participate in the AGM must submit notification of that no later than Thursday May 5, 2022 in any of the following ways: Egetis Therapeutics AB, Klara Norra Kyrkogata 26, 111 22 Stockholm, by phone +46 (0)8 679 72 10 or by email, info@egetis.com. The notification should include the shareholder's: name, address, phone number, personal ID or CIN and the shareholding.

Information about the resolutions taken at the Annual General Meeting will be published on May 30, 2022 as soon as the outcome of the voting has been compiled and finalized.

Proxies, etc.

Shareholders who are represented by a proxy must issue a written and dated power of attorney for the proxy. The power of attorney may not be issued more than five years prior to the date of the meeting. The original power of attorney as well as the registration certificate and other authorization documents showing the authorized representative of the legal entity should be sent to the Company at the above address. The Company provides power of attorney forms upon request and they are also available on the Company's website, www.egetis.com.

Contact

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email: info@egetis.com
www.egetis.com

EGETIS THERAPEUTICS

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