Annual Report 2023

Financial summary

Net sales amounted to:

29,327 (2,860) kSEK

The operating result (EBIT) amounted to:

-76,625 (-57,981) kSEK

The profit after tax amounted to:

-76,398 (-58,571) kSEK

Earnings per share amounted to:

-1.09 (-1.16) SEK

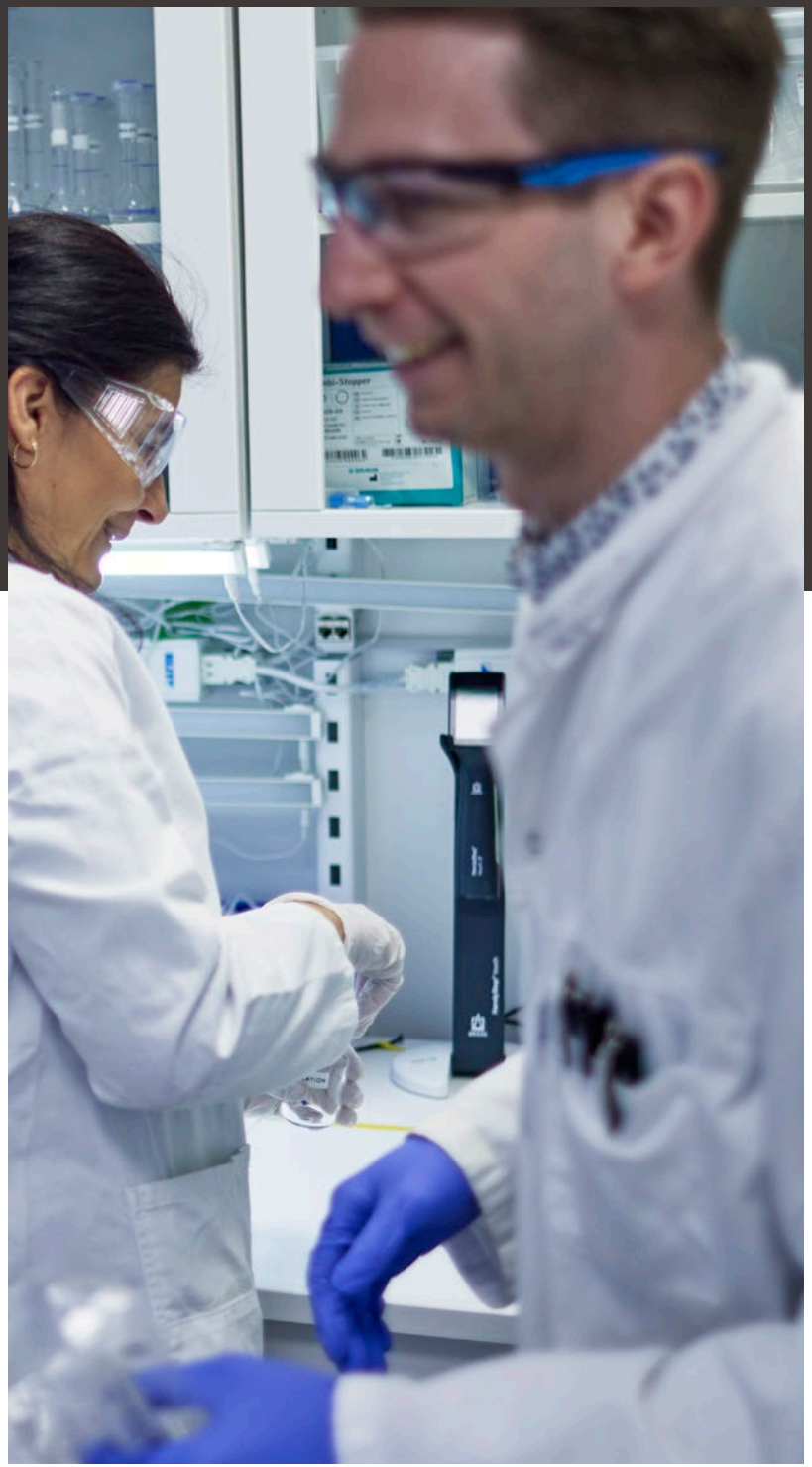
The year's cash flow amounted to:

-16,014 (-24,478) kSEK

Cash and cash equivalents at the end of the period:

65,168 (81,182) kSEK

The board proposes that no dividend be paid financial year 2023



Nanexa is a pharmaceutical company that develops long-acting injectable drugs based on PharmaShell®

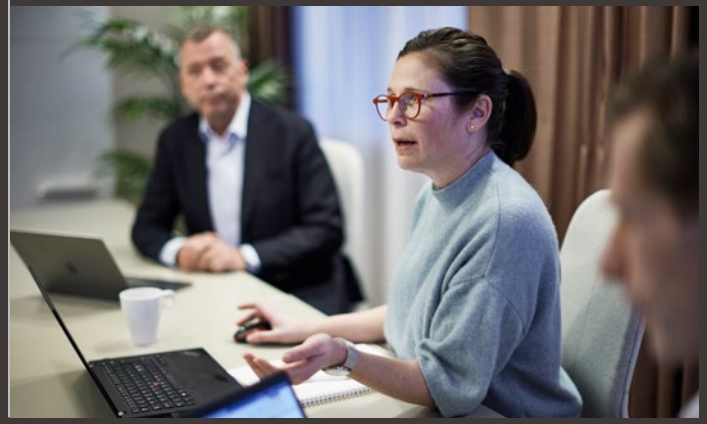
Nanexa is a pharmaceutical company that develops long-acting injectable drugs based on PharmaShell® – a proprietary patented drug-delivery system for controlled release of various types of active pharmaceutical substances. Based on PharmaShell, Nanexa both develops its own drugs and collaborates with other pharmaceutical companies, including Novo Nordisk and AstraZeneca, to develop products with their active substances.

Nanexa's long-acting products reduce the need for daily administration of drugs, which leads to better adherence and lower healthcare costs. In many cases, a controlled, even release of drugs can reduce unwanted side effects and potentially even lead to a greater efficacy.

Significant events in 2023

Q 1

→ **Nanexa announced the successful outcome of the first preclinical study with NEX-22.** In a one-month study in rats, with single doses of two different PharmaShell formulations at different doses, a controlled release of liraglutide was demonstrated, with plasma exposure over 28 days for NEX-22, compared to approximately 2 days for a solution of liraglutide without PharmaShell.



Q 2

- **Nanexa announced the completion of recruitment and dosing in the Phase 1 study of NEX-20.** The study began in December 2022 with healthy volunteers administered single doses in three consecutive escalating dose groups.

- **Nanexa signed an agreement with the CRO company Profil in Neuss, Germany**, for the upcoming Phase I study of NEX-22, a monthly depot of liraglutide for the treatment of type 2 diabetes and ultimately obesity. Profil is highly specialized in early clinical studies in diabetes and obesity and has an excellent global reputation for conducting clinical research in these two indications.

Q 3

- **Nanexa received pharmacokinetic data from the Phase I NEX-20-01 study** confirming a release profile of lenalidomide at various doses up to 21 days and also announced that final safety and tolerability data are expected in October 2023.

- **Nanexa obtained results from a pre-clinical study of NEX-22** in mini-pigs confirming a long release profile of liraglutide, as previously seen in rats. The data shows that a release profile of NEX-22 can be obtained for at least 28 days, which was the length of the pharmacokinetic study and the objective of the study.

- **Nanexa was granted a patent in India** for its PharmaShell technology. The patent covers the relevant manufacturing method, coated drug particles resulting therefrom and pharmaceutical composition containing these particles. The PharmaShell patent is already approved in the US, Japan, Korea, China, Canada and Europe and with the approval in India, Nanexa now has patents in all countries where it has applied for patent protection.

- **Nanexa announced on September 21 that the company is conducting a rights issue** of approximately SEK 121 million, which was secured by subscription commitments and guarantee commitments totaling SEK 75 million.

Q 4

- **Nanexa announced the outcome of the previously announced rights issue** where 42,146,268 shares had been subscribed with and without the support of subscription rights and guarantee commitments exercised for an additional 32,853,732 shares. The rights issue thus provided the company with SEK 75 million before deduction of transaction costs, which amounted to a total of approximately SEK 12 million.

- **Nanexa signed a so-called Material Transfer and Feasibility Study Agreement** with one of the largest global pharmaceutical companies, for the evaluation of Nanexa's drug delivery system, PharmaShell, in a depot formulation of a monoclonal antibody.

- **Nanexa announced that the clinical trial application** for the Phase I study of NEX-22 in patients with type 2 diabetes has been received and validated by the European Medicines Agency (EMA).

- **Nanexa's Board of Directors decided to focus the business on three key areas.** The decision involves tactical prioritization and cost savings with the objective that the current cash position and expected revenues from evaluation agreements will be sufficient until mid 2025 and enable significant value-creating progress in prioritized collaborations and the proprietary project NEX-22.

About Nanexa

Nanexa is a pharmaceutical company that develops long-acting drugs that make treatments more effective and improve the quality of life for patients

Nanexa exists to provide patients with effective drugs without the need for daily administration. Fewer administration sessions lead to better adherence to prescribed treatment, fewer side effects and savings in healthcare. PharmaShell® also enables Nanexa to help other pharmaceutical companies to develop new effective products.

Disease areas
Nanexa focuses its own development projects on disease areas with high medical need where the market is large and growing. Today, the company focuses primarily on the NEX-22 project with the goal of developing a one-month depot formulation of the GLP-1 substance liraglutide for the treatment of type 2 diabetes. The company also has two oncology projects for the indications myelodysplastic syndrome (MDS) and multiple myeloma, which are two forms of blood cancer.

In Nanexa's own projects, the company starts from existing and proven drug substances where the patent protection has expired. In this way, Nanexa minimizes the biological risk, reduces development time and facilitates the approval process. At the same time, Nanexa can use its technology to create new patent protection and thus create great value, both in its own product projects and for products in partner-driven projects.

Proprietary drug delivery system
Nanexa's products consist of injectable drug formulations that are placed as a depot under the skin or locally, for example in a cancerous tumour. This depot continuously releases active drug substances over a long period of time without the patient having to frequently keep track of their medication or come to the clinic for treatment. This streamlines treatments, makes everyday life easier for the patient and frees up resources for healthcare providers.

Nanexa's proprietary and patented PharmaShell drug delivery system allows the company to customize and control the rate of release of both biological and small molecule drug substances. PharmaShell is based on the Atomic Layer Deposition (ALD) coating technology – whereby particles of active pharmaceutical substance are encapsulated with a number of atomic layers that control the rate of release.

Own pilot plant
Since 2022, Nanexa has had a GMP-classified pilot plant in place in Uppsala. This means that the company now produces drugs for clinical studies on its own and has enabled the future upscaling of the process to kilogram scale. With the coming production capacity, it is possible to handle larger clinical development programs and the company has also laid the foundation for being able to scale up manufacturing to commercial scale in collaboration with Applied Materials Inc.

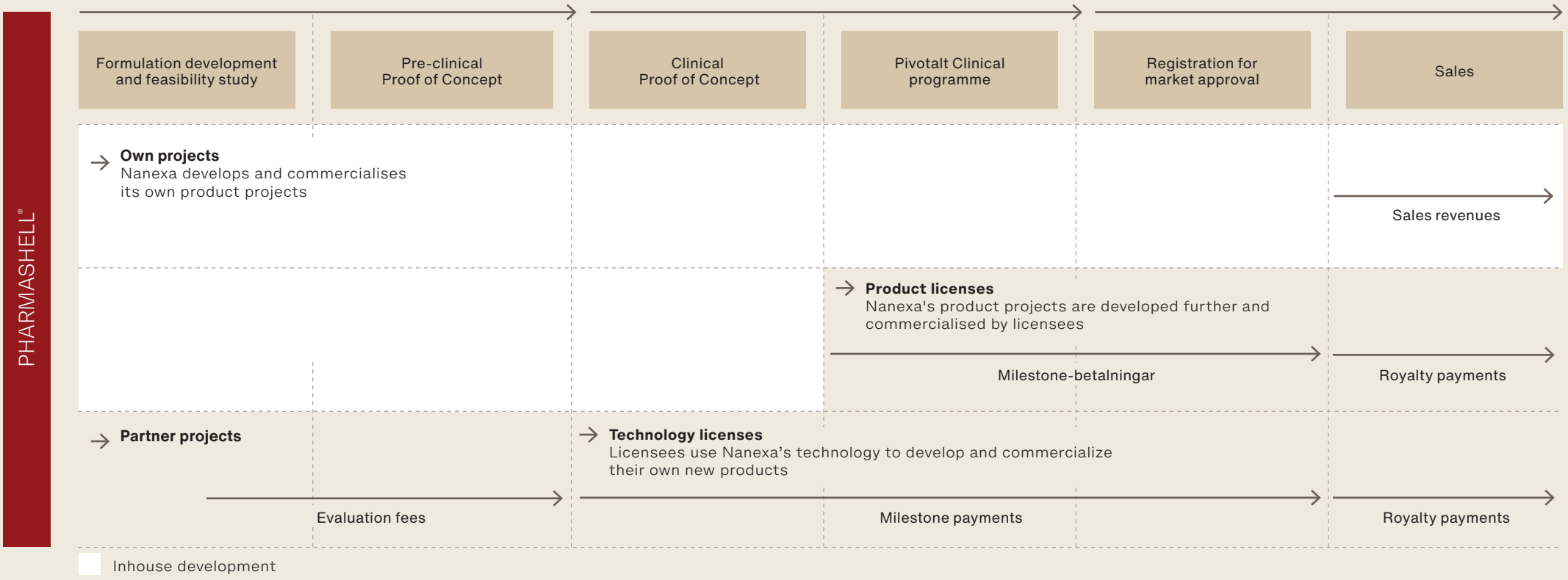
> "Nanexa focuses on disease areas with medical needs where the market is large and growing. Today, the company has projects in both oncology and diabetes."

Revenue model

Business model
Nanexa has a two-part business model where the company develops its own products and enters into licensing agreements for PharmaShell®. In its own product projects, Nanexa takes them through the preclinical and clinical phases, mainly until proof of concept (phase I or II). Then an assessment is made of how the commercialization should take place - either in-house or in collaboration with a licensing partner. A license agreement usually includes an initial payment, known as a signing fee, and milestone payments when defined development goals are achieved. A milestone payment is also made in connection with market approval of the drug, after which sales-based royalties are paid. Desirable partners are, for example, global pharmaceutical companies with strong market positions in the relevant area. Another possibility is license deals with one or more operators with a strong market presence in important regions. Decisions are made based on what is considered to create the most value for the company.

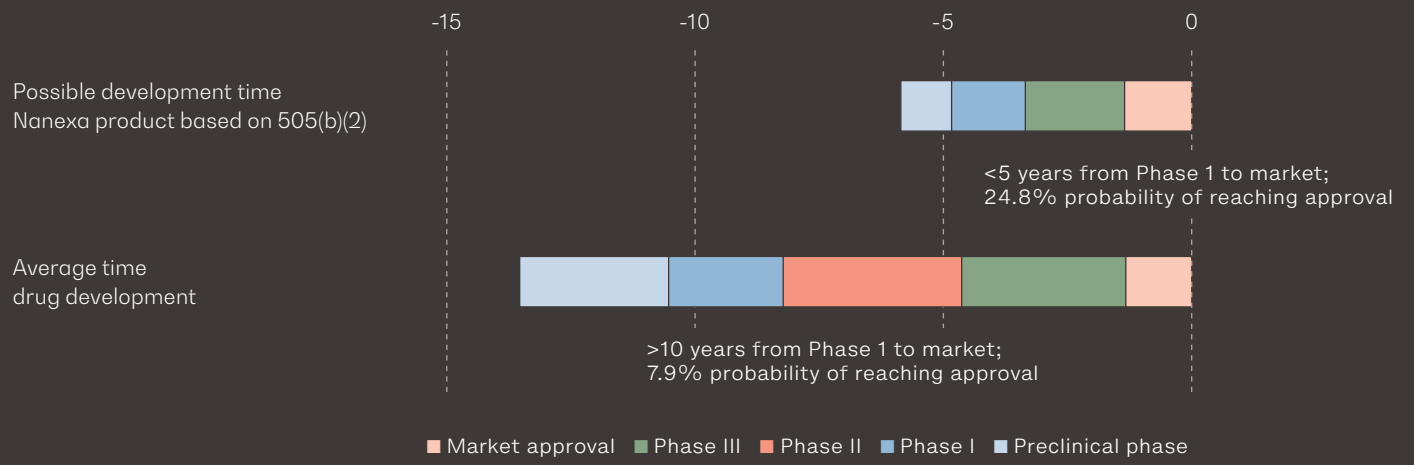
At the same time, Nanexa works actively to out-license its technology to other pharmaceutical companies that want to develop long-acting drugs. Nanexa currently has a number of evaluation agreements in place with the aim of creating a basis for further collaborations and out-licensing agreements. These include a very interesting project with Novo Nordisk and evaluations with several of the world's largest pharmaceutical companies.

Although the revenues from the company's product projects are expected to be significantly higher than the revenues from out-licensing agreements regarding PharmaShell, the company sees significant opportunities for attractive license agreements also from several of the evaluation projects. In addition, the technology licenses can be more numerous, closer in time and make a significant contribution to the total revenues.



Strategy

Nanexa – shorter path to market approval



Nanexa's product projects are based on the development of already marketed drugs in combination with the company's drug delivery system PharmaShell®, which enables the formulation of unique long-acting patent-protected products. The projects are run through a shorter development program where, upon registration for market approval, one can rely on the documentation of already approved products. This means that there is no need to conduct a complete preclinical, toxicological, and clinical program with phase I, phase II and phase III studies, as for a completely new substance. Overall, this results in a significantly shorter and less costly development project, with significantly lower risks compared to traditional product projects based on completely new drug substances.

The legal basis is called 505 (b)(2) in the US and Article 10(3) in Europe. Central to this is that the development program is limited to documenting similarity to the approved product (original product). As a rule, a phase I study is conducted where the pharmacokinetics of the new product are compared with the original product. Certain criteria for similarity must then be achieved, for example that the AUC (area under curve) and maximum concentration are within certain predefined limits. In long-acting formulations, these results are often complemented by a relatively limited phase III study (efficacy study) showing that the efficacy is at least as good as the original product. As illustrated in the image above, a product such as NEX-22 that is just entering phase I is as close to launch as a completely new drug entering a phase III program. Total development time until approval is less than five years compared to more than 10 years for a brand-new drug. In addition to time to market, the cost of a project such as NEX-22 is significantly lower than for a completely new drug. If one compares the risk levels at phase I measured as the probability of reaching market approval almost 25% against about 8% for a completely new drug.

Goals

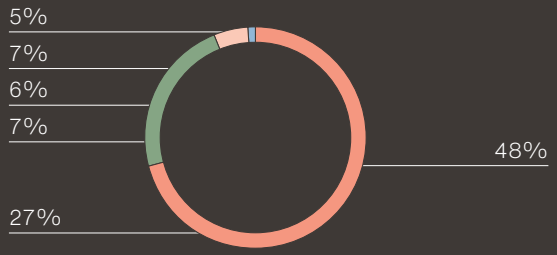
Nanexa's goals

Nanexa's goal is to operate a portfolio of three to four of its own product projects in various development phases which, over time, can either be licensed to major pharmaceutical companies for implementation of a final clinical program or developed up to commercialization by Nanexa. The company's own portfolio is supplemented with a broader portfolio of external collaborations which, besides broadening the use of the PharmaShell® system, will contribute significant licensing revenues in both the short and the long term.

Currently, the focus is on creating value in NEX-22 and some prioritized partner projects, such as the one with Novo Nordisk. The PharmaShell system then has potential in a wide range of indications where its properties enable products with unique advantages over existing products.

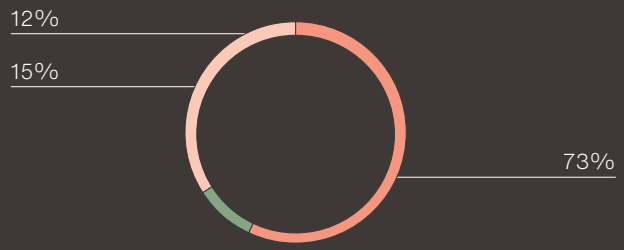
Market position

Breakdown on strategy/technology, 100 % = 1,060 MUSD



- Microencapsulation
- Long-acting implants
- Vesicle-rich liposomes
- Nanocrystal suspensions
- Long-acting hydrogels, microneedles
- Other

Distribution by method of administration



- Injections
- Implant
- Vaginal/Topical/Oral/Other

Source: Roots Analysis: Long-Acting Drug Delivery Technologies and Services Market, 2023-2035 (2023). Available via: https://www.rootsanalysis.com/reports/long-acting-drug-delivery-market.html

Nanexa's market position

As a pharmaceutical company with a proprietary drug delivery system with unique properties for long-acting controlled release injectable drugs, Nanexa is in a good position to capitalize on the strong market growth in type 2 diabetes, obesity, oncology, and a large number of other disease areas.

There are more pharmaceutical companies that base their operations on a range of different strategies and technologies to create long-acting drugs, such as microencapsulation, liposomes, nanocrystal suspensions or hydrogels. It is also a question of different administration methods such as injections, implants, topical, oral or vaginal administration, with injectable drugs being by far the largest segment.

Nanexa's PharmaShell® technology for injectable drugs addresses and avoids most of the competing systems' limitations, for example by making it possible to produce products with a high proportion of active pharmaceutical substance and control over the initial release. Another advantage is that the technology can be applied to many different types of drugs, such as drugs with both high and low solubility, small molecules, or biological drugs such as peptides and monoclonal antibodies.

Nanexa's position means that the company can develop and commercialize pharmaceutical products by itself or through partnerships with major companies, or else out license Nanexa's technology to other companies wishing to use it for their own specific drugs.

> "Nanexa is well positioned to capitalize on the strong market growth in a large number of disease areas."

The CEO's comments

> A year that has brought us closer to commercialization and the expanding type 2 diabetes and obesity market.

A year with considerable progress

In 2023, we have delivered in our product projects and in the projects we run together with a number of leading pharmaceutical companies. A year in which we achieved additional results from the use of PharmaShell® that generate interest from the pharmaceutical industry. More clinical data from the completed study in the NEX-20 project and a large amount of data from various preclinical evaluations add important pieces to the puzzle. This includes studying the tissue impact at the injection site, which is very common for injectable depot preparations and especially when administering high doses. We have also met many of the world's leading pharmaceutical companies at conferences that have resulted in great interest in Nanexa and PharmaShell as a drug delivery system. However, no new decisive agreements have been developed during the year. Therefore, we have decided to focus on the activities and projects that we really believe are closest to agreements that can give us both larger revenues in the near future and significant licence revenues going forward.

Focus on NEX-22 and partner projects

NEX-22 is such a project and in 2023 we have developed a formulation with a release profile that enables us to start a first clinical phase I PK study. If we succeed with this, which we believe we have a good chance of doing, it will probably create a lot of interest among the global pharmaceutical companies with the possibility of signing licence agreements already based on Proof of Concept in phase I data.

NEX-22 is being developed as a long-acting product of the GLP-1 substance liraglutide for the type 2 diabetes market. A huge and growing market where a one-month product is considered to have very high potential. As the project is based on an already marketed substance, the path to market is relatively short, even though we are in an early development phase. The regulatory path forward is based on the so-called 505 (b)(2) regulation in the United States, which means that the clinical program is severely limited to phase I studies as a bridge to a limited phase III study to show the same effect as the original product. This means significantly lower risk, cost and time compared to the development of completely new substances for a finished product. At the same time, we assess the sales potential for NEX-22 as very significant.

The second obvious focus area is the collaboration with Novo Nordisk, where we see significant commercial opportunities if the evaluation, they are conducting is successful. Here, too, we make the judgement that the evaluation has a good chance of success. In 2023, we have worked closely with Novo Nordisk and the development work continues with undiminished strength into 2024.

The third priority area is linked to other partner projects that are assessed to be closest to more significant agreements. We can note that we have obtained promising results in several such projects, including pharmacokinetic profiles in animal studies. We therefore make the assessment that there is a good possibility that one or

> Today we are much closer to commercialization of our drug delivery system PharmaShell than we were a year ago.

more of these will lead to major development agreements and, by extension, licence agreements in a reasonable future.

At the same time as this focus on commercialisation takes place, we have implemented cost savings primarily linked to our two other own projects NEX-18 and NEX-20. They are still interesting, but we believe that the best for the company now is to focus on and create the best opportunities for the three areas mentioned above. The rights issue we carried out provided a capital injection of SEK 63 million in a difficult financial market, but with it behind us we are now financed throughout 2024 and into 2025, which provides opportunities to achieve significant milestones.

The right priorities
The success for Novo Nordisk, Eli Lilly and others with their GLP-1 products in treating type 2 diabetes shows that we have a good basis for the selection of once-a-month formulation of the GLP-1 analogue liraglutide for the NEX-22 project. The media interest emphasizes the strong development of this substance class where we have a solution to reduce the number of injections to once a month, something that is currently lacking in the market. We are working with type 2 diabetes as the first indication for NEX-22 but see opportunities to develop a corresponding treatment for obesity as well. We also see good opportunities to broaden the use of PharmaShell by developing long-acting formulations with other substances in the substance class GLP-1 analogues and GLP-1-GIP.

Closer to commercialization
Today we are much closer to commercialization of our drug delivery system PharmaShell than we were a year ago. This is primarily through our rapid development of the NEX-22 program and through our partnerships with Novo Nordisk and other global pharmaceutical companies. We have also successfully demonstrated that we can formulate monoclonal antibodies with our technology. This has led to the conclusion of two evaluation agreements with major actors in the field.

PharmaShell is really starting to become a mature drug delivery system, which was evident at the PODD conference in Boston in the autumn of 2023 when PharmaShell was highlighted by the independent organization PharmaCircle as one of three very interesting systems to keep an eye on.

Financing in the future
We have a good cash position today thanks to the rights issue we carried out in the autumn, and we see the possibility, with focused prioritization, to reach significant milestones with this cash position and income from evaluation agreements. This provides good conditions for long-term financing through more significant revenues and more favourable external financing, which, however, remains dependent on the situation on the capital market.

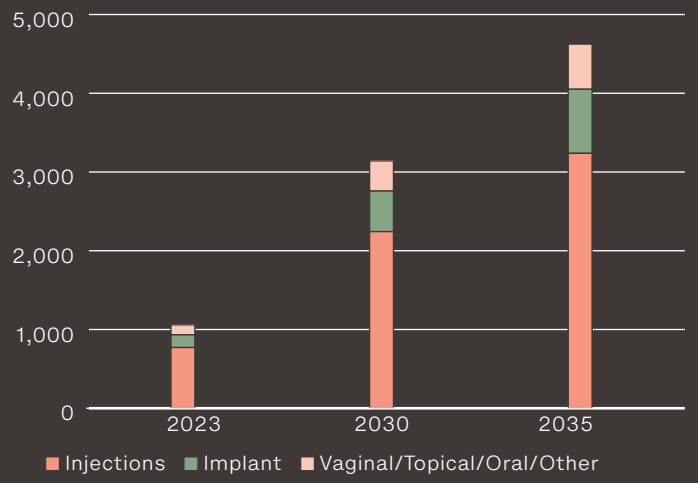
The way forward
I look forward with confidence to the coming years as we expect continued great strides for Nanexa. The work we have done in 2023 has laid the foundation for even more extensive collaborations and we are steadily approaching larger commercial agreements. By focusing on a number of selected projects, the time until we become cash flow positive is shortened in order to then be able to gear up projects that we have in oncology and other areas.

David Westberg,
CEO, Nanexa

Depot drugs – the big picture

An increasing need for care requires new solutions

License payments for long-acting drugs delivery technologies, MUSD[3]



The world's population is facing a constantly rising average age. According to one forecast, the number of people over the age of 60 will rise to just over 1.4 billion by 2030 and to over 2 billion by 2050[1]. We also see the same trend in Sweden. In 2020, almost 20 per cent of the population was over the age of 64 and by 2070 that proportion is expected to have risen by 25 per cent[2]. That development will mean greater pressure on an already strained healthcare system because the system must serve more people and also because many people will live longer and suffer a range of age-related, chronic diseases such as cardiovascular disease, diabetes and cancer.

Reduced burden on healthcare

An important part of the solution may consist of treatments that reduce the need for hospital care. For example, many cancer treatments currently require frequent visits to hospital and thus extensive care resources. Depot drugs would enable the number of physical care contacts to be reduced. For example, it would lead to major savings in healthcare if patients only needed to visit hospital for an injection once a month instead of periodically every day.

Greater quality of life and greater treatment efficacy

Depot drugs can also provide patients with great benefits, with greater convenience as well as fewer side effects and more effective treatment. Depot drugs also make it possible to increase adherence, in other words the extent to which patients take their medicine as prescribed. When a drug has to be taken every day, the patient may forget to take the drug, particularly in treatments for chronic illnesses with mild symptoms such as type 2 diabetes. For drugs that cause troublesome side effects, patients sometimes avoid taking the drug as prescribed and there may also be other reasons why patients fail to follow their treatment. Regardless of the cause, poor adherence means that the drug will not have the intended efficacy in the long term.

A long-acting product can lead to a smooth, continuous release that can reduce concentration peaks and at the same time provide a longer exposure to the active substance in the drug, which has the potential to reduce side effects and improve the efficacy of the treatment, while making everyday life easier for patients.

A growing market

The independent research firm Roots Analysis has recently published a report in which they have evaluated various aspects of technologies for long-acting depot drugs[3]. The report estimates the value of licensing agreements (upfront and milestone payments) in the global market for this type of technology at just over 1 billion dollars in 2023, expecting it to rise to approximately 4.6 billion dollars by 2035 – an average annual growth rate of 13.1 per cent. As well as the value of the agreement, there is also the value of sales-based royalties, which is also significant since global sales of long-acting injectable drugs are expected to grow from 14.9 billion dollars in 2022 to 24.4 billion dollars by 2028.4 In Roots Analysis' evaluation, PharmaShell® comes out well because the technology enables the release of both small-molecule and biological substances with long dosage intervals (months). PharmaShell is also surrounded by a high level of technological maturity and the Nanexa company has many years' experiences in the field.

Global developments in the pharmaceutical field

So-called biological drugs are a segment that is experiencing particularly rapid growth and that continues to take market share from conventional drugs based on synthesised small molecules. It is estimated that biological drugs will account for 41 per cent of the market value by 2028. Nanexa is continually evaluating both biological and small-molecule substances for new product candidates. The strong growth in biological drugs is attractive. There are many potential injectable products that could be a good fit for PharmaShell technology and where its unique properties could mean major advantages compared to other drug-delivery technologies.

[1] HelpAge International: Global AgeWatch Index 2013 Insight report (2013). Available via: https://www.helpage.org/global-agewatch/reports/ global-agewatch-index-2013-insight-report-summary-and-methodology/

[2] Statistikmyndigheten (SCB): Population forecast for Sweden (2022): Available via: https://www.scb.se/hitta-statistik/sverige-i-siffror/manniskorna-i-sverige/ befolkningsprognos-for-sverige/

[3] Roots Analysis: Long-Acting Drug Delivery Technologies and Services Market, 2023-2035 (2023). Available via: https://www.rootsanalysis.com/reports/long- acting-drug-delivery-market.html

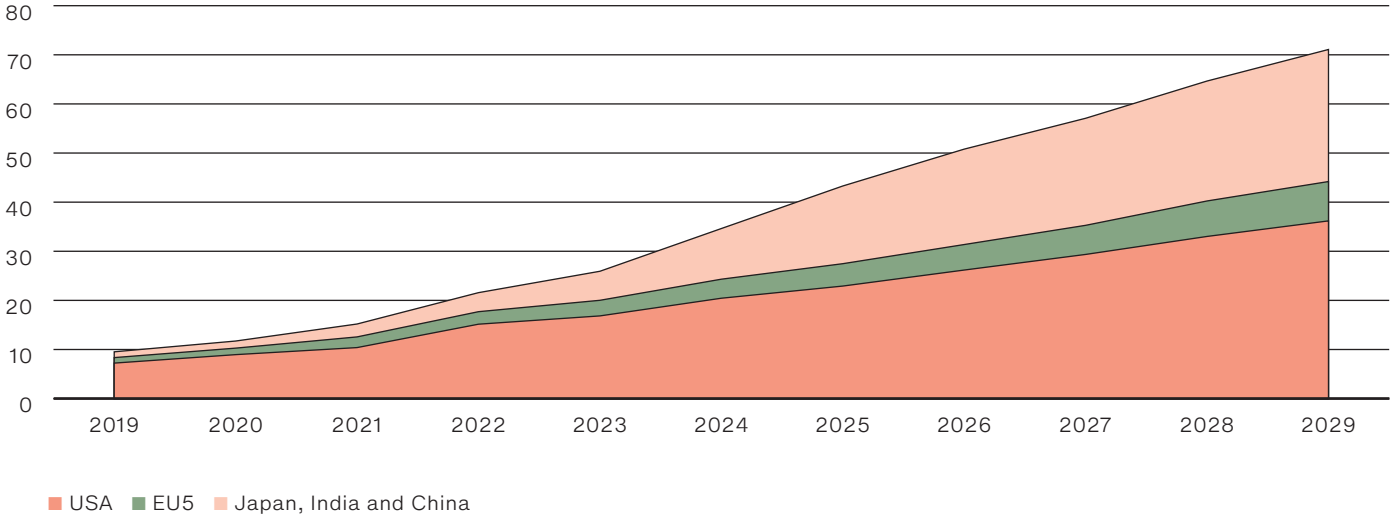
Development in the GLP 1 area

Glucagon-like peptide-1 receptor agonists (GLP-1 RA) are a class of biological pharmaceutical substances used in the treatment of both type 2 diabetes and overweight/obesity. The recent success of this class of compounds is largely responsible for the strong growth of Novo Nordisk and Eli Lilly, among others. Not only have these drugs been shown to be effective in terms of weight loss and adjusting blood sugar levels, patients taking these drugs also have a reduced risk of cardiovascular disease. Studies on whether this class of substances also can be used in the treatment of other indications are ongoing.

One of the GLP-1 RA substances currently on the market is liraglutide, which is the substance that Nanexa chose in 2022 to develop a long-acting depot drug in the company's NEX-22 project. The market for GLP-1/GOP RA-based drugs in the nine major markets in the Western world (USA, France, Germany, Italy, Spain, UK, Japan, India and China) is expected to reach 70 billion dollars by 2029[4].

Once-a -month formulations using PharmShell are also expected to be possible for the new substances being developed for type 2 diabetes and obesity, such as the GLP-1-GIP group. We therefore believe that the potential for PharmaShell in these areas is very significant for a long time to come.

GLP-1 & GLP-1/GIP Market Forecast 9MM in Type 2 Diabetes, MUSD[4]



[4] Global Data, Type 2 diabetes Global Forecast 2019–2029, Nov 2022
Global Data, Type 2 diabetes Global Forecast 2019–2029, Nov 2022

Interview
Jan Bolinder

Professor of Clinical Diabetes Research at Karolinska Institutet

What is the role of GLP-1 analogues in today's diabetes care?
GLP-1 analogues have quickly become important treatment options and are increasingly used in the treatment of type 2 diabetes. They have shown to be potent blood sugar reducers and contribute to weight loss, which is a major advantage as most people with type 2 diabetes are also overweight. In addition, GLP-1 analogues protect against cardiovascular disease and kidney damage, which are common complications of diabetes. It has also been shown that GLP-1 analogues can prevent and partially reverse liver fatty degeneration, which is common in obesity and in people with type 2 diabetes and can lead to the development of cirrhosis and liver cancer.

What can improved adherence in this type of treatment lead to?
Improved adherence can lead to better diabetes control and thus reduce the occurrence of complications. This, in turn, can lead to a reduction in the burden on healthcare services and better health and quality of life for patients. By facilitating administration, for example by reducing the number of administration sessions, the patient's own medication becomes easier to manage, which can lead to positive effects for both individuals and society.

What impact can a company like Nanexa have on the future of diabetes care?
New innovative drugs or methods of administration are positive for the future of diabetes care. It has been shown that small innovative companies are needed to complement established pharmaceutical companies with new ideas that can lead to breakthroughs and new treatments. Smaller start-up companies, such as Nanexa, are therefore important for the development of new technologies and solutions and are thus important for the ecosystem of the pharmaceutical industry.

What advances in the field of diabetes are you most hopeful about?
There is great hope around combination therapies based on GLP-1 analogues together with other similar hormones such as GIP (glucose-dependent insulinotropic polypeptide). These combinations have proven to be extremely potent in terms of both weight loss and blood sugar control. Several players are now looking at further combinations with more components to make treatments even more effective. We will soon be in a position where it is medically possible to reduce the body weight of overweight people by around 20 percent, which we know leads to remission of type 2 diabetes in many cases. Thus, there is also hope that insulin will be needed less and less and that obesity can be treated medically to prevent the onset of type 2 diabetes, while giving those who are already ill a good chance of remission.

Benefits of PharmaShell® for global pharmaceutical companies

Can increase revenue streams
→ Long-acting and injectable products offer great opportunities to improve treatments in many indications
→ Allows for product differentiation

Can improve existing products – better product life cycle
→ hrough development of long-acting and injectable product variants
→ By expanding the product portfolio and complementing existing formulations

Can extend patent protection
→ New dosage forms can extend patent protection on existing products

Can enable long-acting and injectable products of new substances
→ By formulating new substances with PharmaShell®, completely new products can be developed

Depot drug based on PharmaShell® can provide smarter treatments

Patients
→ Depot drugs make it easier for the patient. Instead of needing to monitor daily medication or visiting the clinic to get treatment, depot drugs are released over a long period.
→ Depåläkemedel can deliver a more even, continuous dose, which can reduce certain side-effects associated with other modes of administration.

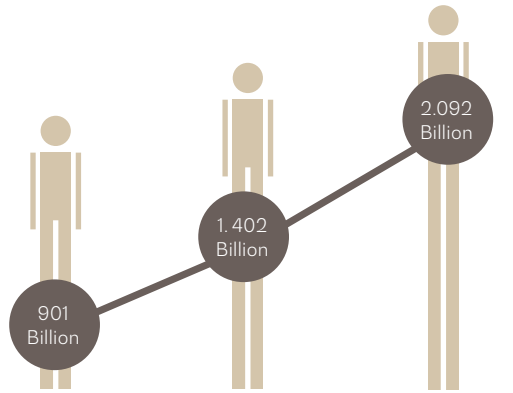
Healthcare
→ Depot drugs produce greater adherence in the treatment as there is no need for the patient to monitor tablets or injections.
→ Greater adherence in turn leads to greater efficacy for the treatment

Payers
→ Fewer patient visits to clinics and hospitals save money for society.
→ Greater adherence produces more cost-effective treatment

Sustainability
→ Depot drugs provide greater control over pharmaceutical substances and reduce the risk of them being handled incorrectly
→ Patients avoid handling the
→ drug, which reduces the risk, for example, of it being flushed down the toilet or thrown into the rubbish.
→ Depot medicines reduce the number of plastic syringes and other components, thus reducing the impact on the environment.

An ageing population

According to a UN report on global demographic trends, more than 1.4 billion people, or 16.5 percent of the world's population, will be over 60 in 2030. By 2050, this figure will have risen to more than 2 billion, or 21.5 percent of the total population.



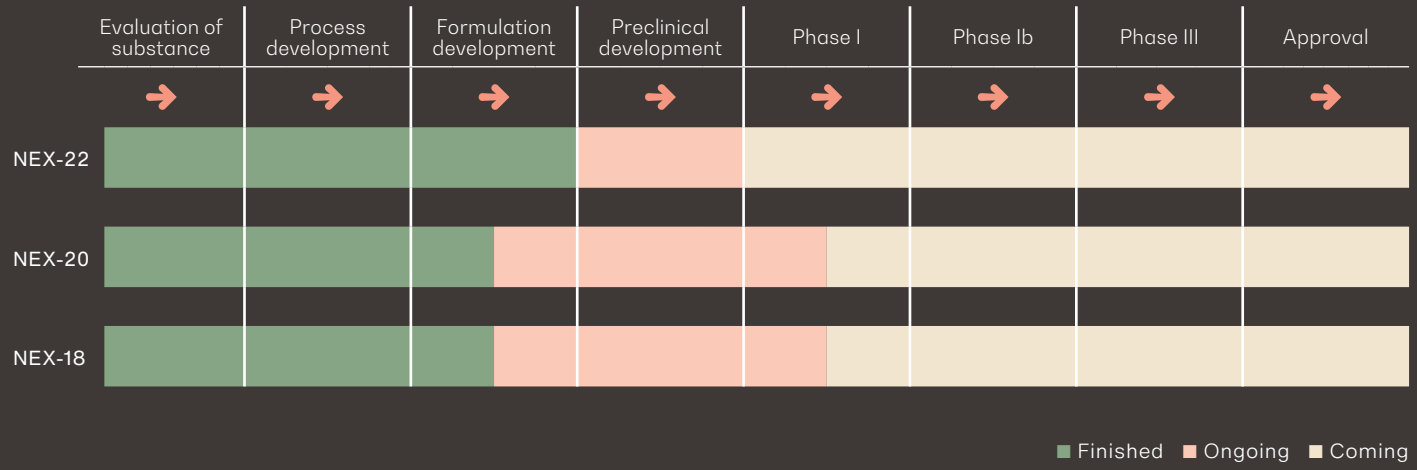
Source: Ageing and Development, Asghar Zaidi, Professor in International Social Policy, at University of Southampton,

Own pipeline and partner projects

Nanexa's two-part business model allows the company to build value in several ways with its drug delivery system PharmaShell®. First, Nanexa runs its own product projects through clinical development – primarily to phase I or II (proof of concept) - after which the company decides whether Nanexa will carry out the commercialisation itself or together with a suitable licence partner. Secondly, Nanexa conducts partner projects together with various major pharmaceutical companies and develops depot formulations of their drugs with the aim of out-licensing PharmaShell.

During the year, the company decided to focus on the projects and partnerships that can provide the absolute largest and earliest revenues. Therefore, we enter 2024 with a focus on the company's own project NEX-22 (one-month formulation of the GLP-1 substance liraglutide), the collaboration with Novo Nordisk and further selected partner projects.

Product project pipeline



Own product projects

Nanexa focuses on developing improved versions of existing drugs to achieve new and significantly improved properties that generate value for patients, healthcare and society in general. Using PharmaShell, Nanexa is able to develop products with significant patent protection and high market value. Developing a long-acting formulation of an already regulatory-approved drug substance involves both a simpler clinical program and a simplified registration process, which means significantly lower costs, significantly less risk and shorter time to market compared to the development of a completely new drug.

Based on medical need, market potential and technical conditions, Nanexa has evaluated a large number of project candidates where many different parameters are considered and evaluated together with leading experts in specific therapy areas.

Nanexa is currently developing an improved version of the GLP-1 analogue liragutide for the treatment of mainly type 2 diabetes and ultimately obesity with a one-month depot formulation that is considered to have great market potential. The company is also developing improved and long-acting versions of two existing drugs for the treatment of different types of blood cancer: MDS and multiple myeloma.

- → In the NEX-22 project that Nanexa initiated in the autumn of 2022, the company is developing a long-acting formulation of liraglutide for the treatment of type 2 diabetes. Liraglutide is a substance in the class of GLP-1 analogues that is currently the fastest growing class of drugs in type 2 diabetes and obesity, which can open large markets for Nanexa. Here, Nanexa is developing a depot formulation that will provide the monthly dose of the drug with only one administration, which will provide great patient benefit and improve compliance with treatment. Patient compliance with conventional treatment has been shown to be low despite the high risk of serious sequelae.
- → In the NEX-20 project, Nanexa is developing a long-acting formulation of lenalidomide for the treatment of multiple myeloma, a severe form of blood cancer. Studies show that more than a third of elderly patients with newly diagnosed multiple myeloma have poor adherence to the current treatment in the form of daily capsules. Poor compliance can lead to suboptimal or no effect of the treatment. Nanexa is developing an injectable product that can be given once a month instead of daily treatment with capsules.
- → In the NEX-18 project, Nanexa aims to develop a long-acting product with the substance azacitidine for the treatment of myelodysplastic syndrome (MDS), a serious form of blood cancer. With the treatment options available today, patients need to come to the hospital seven days in a row every month for injection treatment, which poses challenges for these often very sick patients and places a great burden on the healthcare system. Nanexa is therefore developing a depot drug of azacitidine with the aim of replacing the seven injections of azacitidine with one injection of NEX-18 per month.

Nanexa sees great advantages in running its own product projects as the company has full control over the pace of development and can create greater value for Nanexa compared to the partner projects that the company runs. Nanexa also sees that the results generated in its own projects validate the company's technology and lead to an increased interest among the major pharmaceutical companies to evaluate PharmaShell for their own projects.

Partner projects

Licensing of PharmaShell®

The PharmaShell system provides good opportunities to formulate injectable and long-acting products based on many different types of pharmaceutical substances. Nanexa therefore collaborates with several other companies that evaluate Nanexa's technology to develop new and/or better drugs from their substances. These collaborations contribute to revenue for Nanexa as early as in the evaluation phase. They also help validate and increase Nanexa's knowledge of the possibilities of the company's technology. In the relatively short term, there are opportunities for extensive development agreements and, in the long run, licensing agreements with significant commercial potential.

At present, Nanexa has a handful of ongoing partner projects with biological drug substances and partner projects with small molecule substances. For example, an evaluation agreement was signed in December 2022 with Novo Nordisk, which gives them exclusivity for a limited time to evaluate the PharmaShell system on one of their substances directed at a specific target. The company also has very interesting evaluation agreements with several of the largest pharmaceutical companies in the world, including AstraZeneca.

Projects usually start with an evaluation of the technology by coating PharmaShell on either model substances or drug candidates, which are then tested by the partner company in animal experiments. At start-up, Nanexa receives remuneration for services rendered. In the next stage of the collaboration, the development continues with optimization of formulation and process as well as expanded preclinical and clinical studies. This is governed by development agreements and license agreements that regulate access to the technology, production of clinical material and commercial rights at product launch. The agreements include technology access fees, milestone payments and royalties on the sale of the final product.

The partner projects are of great importance to Nanexa as they in the long run can provide significant license revenues without Nanexa taking any risk and that they provide coverage for the development costs that the company takes towards the partner. However, Nanexa has no control over the partner projects with regard to if or when a major partner company decides to continue or discontinue the development of a project.

If Nanexa's collaborations with Novo Nordisk, AstraZeneca or any of the other unnamed pharmaceutical companies develop well, there are good opportunities to enter into license agreements for continued product development. Such licensing agreements could generate significant revenues for Nanexa.

NEX-22

The goal: greater adherence and more comfortable treatment of type 2 diabetes and obesity

NEX-22 is a depot formulation of liraglutide with month-long release that could replace current treatments involving daily injections of liraglutide or weekly injections of other GLP-1 & GLP-1/GIP analogues[1]. IIn a study of patients with type 2 diabetes, the majority did not follow the prescribed treatment with daily or weekly administration of GLP-1 analogues even though this can lead to serious sequelae.

Based on interviews with leading medical experts, Nanexa considers that injections given once a month instead of daily could provide significantly better adherence to the prescribed treatment. NEX-22 would therefore be an important addition to current treatment options. Greater adherence helps improve treatment efficacy over time and thus gives rise to healthier patients and savings for healthcare and society.

The main target group for NEX-22 is patients who are non-compliant with current treatment options. However, Nanexa believes that the increased convenience of significantly fewer injections makes NEX-22 a more attractive treatment option for the majority of all patients with type 2 diabetes and obesity treated with GLP-1-analogues.

Sales of drugs for type 2 diabetes in the seven largest markets in the Western world are estimated at approximately 50 billion dollars in 2022. GLP-1 & GLP-1/GIP analogues accounts for approximately 15 billion dollars and is expected to grow by approximately 10 per cent per year over the 2022–2029 period.[2]

At the launch of the one-weekly products Ozempic and Mounjaro, there was a major shift to once weekly from the once daily products already om the market. It remains to be seen if there will be a similar shift in the market when a one-month product is launched, but Nanexa believes it will be significant.

Type 2-diabetes

Type 2 diabetes is a metabolic disease in which the body has difficulty regulating blood sugar levels, which leads to high blood sugar. The disease mainly occurs in upper middle age (>45 years), though the incidence in younger people is increasing due to increasingly sedentary lifestyles and unhealthy diet. Common symptoms include fatigue, increased thirst and frequent urination. The initial symptoms are vague and can sometimes be difficult to spot.

The disease can cause several serious sequelae such as kidney damage, impaired vision, and cardiovascular disease. Treatment is therefore essential, both for the overall health and well-being of patients and to limit the costs for the healthcare system and society associated with sequelae.

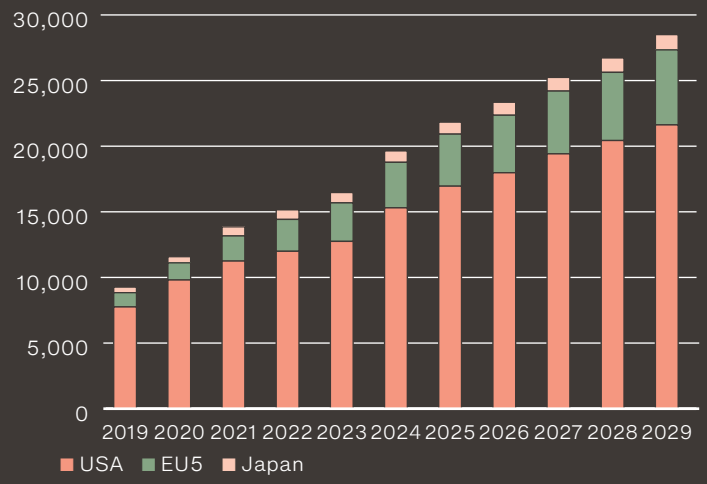
Type 2 diabetes is one of our most common diseases and the incidence is increasing rapidly with an ageing population. Datamonitor Healthcare estimates that there are currently around 600 million people in the world living with type 2 diabetes, a figure that is expected to rise to 635 million by 2027.[3] Not all of those living with type 2 diabetes have been diagnosed and fewer receive adequate treatment. Nevertheless, in the seven largest markets in the Western world, it is estimated that approximately 50 million people will be treated with drugs by 2029, with an increase of 2–3 percent per year.[2]

The treatment goal for type 2 diabetes is to lower blood sugar levels. This can be achieved through physical activity, weight loss and good eating habits, but in most cases, drugs are also necessary. A change in lifestyle in terms of eating habits and exercise is an important first step in the treatment of type 2 diabetes. A low-calorie diet and physical activity are key to lowering blood sugar levels.

Several drugs are available for the treatment of type 2 diabetes. One of the most common drug classes for the treatment of type 2 diabetes is GLP-1 analogues, which are given subcutaneously once a day or once a week. Liraglutide is a GLP-1-analogue currently given by means of daily injections.

[1] Weiss T, et. al. Real-World Adherence and Discontinuation of Glucagon-Like Peptide-1 Receptor Agonists Therapy in Type 2 Diabetes Mellitus Patients in the United States. Patient Prefer Adherence. 2020;14
[2] GlobalData Type 2 diabetes Global Forecast 2019–2029, Dec 2022
[3] Datamonitor Type 2-diabetes Disease analysis March 202

GLP-1 diabetes market forecast 7MM (MUSD)



Source: Global Data Type 2-diabetes forecast December 2021

Obesity

According to the World Health Organization (WHO), severe overweight in people with a BMI over 29.9 is classified as obese. The WHO assesses that there is an ongoing global obesity epidemic where obesity is increasing in both sexes, at all ages and in all social classes. The number of people with obesity has tripled since 1975, and today 13 percent of the world's population over the age of 18 is considered obese.

Both genetics and lifestyle factors affect the risk of developing obesity, which basically occurs if the energy intake exceeds the body´s energy consumption for a longer period of time. An important reason for the raising prevalence in the world is increased intake of unhealthy diets and lack of physical activity.

Obesity means increased risk for a number of different sequelae such as type 2 diabetes, high blood pressure, cardiovascular diseases, cancer, arthrosis and depression. In fact, the majority of the world´s population lives in countries where obesity is a more common cause of death than starvation and underweight.

The clinical program for NEX-22

The work to develop a PharmaShell® formulation of liraglutide (NEX-22) began in autumn 2022. In the first quarter of 2023, results from the first preclinical study in rats showed a prolonged release of liraglutide with plasma exposure over 28 days, which also was the duration of the study. Based on the results, different NEX-22 formulations were manufactured and studied in preclinical studies in both rats and mini-pigs during the second and third quarter of 2023, leading to the selection of the final formulation for the Phase 1 clinical study in patients with type 2 diabetes. During the last quarter of 2023, Nanexa has completed the manufacturing of clinical trial material, stability studies, and compiled data for a clinical trial application. The clinical trial application was submitted to the German Medicines Agency BfArM in December 2023 with the aim of obtaining an approval to start the study in the first quarter of 2024.

The clinical study protocol has been developed together with medical specialists in early clinical studies in diabetes and obesity at the contract research organization (CRO) Profil in Neuss, Germany, where the study will be conducted. The first Phase 1 study with NEX-22 will study the pharmacokinetic profile of different doses of liraglutide formulated with PharmaShell along with safety and tolerability.

Further development of the NEX-22 formulation will take place in parallel with the study in 2024 to adjust the release profile and overcome tissue effects at the injection site, if necessary, to ensure an optimized product for further clinical development.

In Phase II and III clinical studies in type 2 diabetes, the primary efficacy variable is HbA1c*, which is measured by blood sampling. Effect studies of NEX-22 can therefore be conducted relatively quickly and easily by measuring HbA1c via blood tests.

*Glycosylated hemoglobin is a form of hemoglobin used primarily as a measure of the concentration of glucose in the blood plasma over long periods of time.

NEX-20

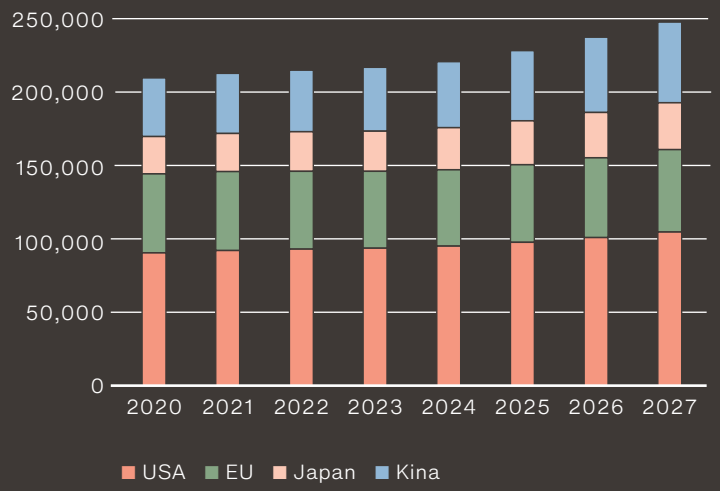
The goal: greater adherence in the treatment of multiple myeloma

Lenalidomide is an immunomodulatory substance that acts on tumour cells and the tumour microenvironment and is used for the treatment of multiple myeloma. Current treatment options involve lenalidomide being administered orally every day for 21 days, followed by a recovery period of seven days, after which the treatment is repeated. Some patients may also receive maintenance treatment at a lower dose but for longer periods of time.

Today, poor adherence to treatment is reported in approximately 38 percent of patients taking lenalidomide1, a problem that Nanexa is addressing with the development of NEX-20, a depot formulation for monthly injection of lenalidomide.

Leading clinical experts and Nanexa believe that lenalidomide will remain a key treatment option, often in combination with new treatment options. In February 2023, Nanexa participated as one of the sponsors at the annual Beyond Medicines' Barriers Meeting, organized by the International Myeloma Foundation (IMF), in Lugano, Switzerland. The IMF is the world's largest patient organization with a specific focus on multiple myeloma.

Multiple Myeloma patients treated with lenalidomide[1]



[1] Global Data Multiple Myeloma Forecast, 2019
[2] www.cancerresearchuk.org/about-cancer/myeloma
[3] EU5 = Great Britain, Germany, France, Spain and Italy

Multiple Myeloma

Multiple Myeloma is a haematologically malign disease which arises in the lymphatic B-cell system, where the myeloma cells consist of a malignantly transformed plasma cell – a type of white blood corpuscle – which infiltrates the bone marrow, which can damage the skeleton and the kidneys. Multiple Myeloma accounts for approximately 10 percent of all haematological cancer and approximately 1 percent of all cancer.

Global Data estimates that in 2021 there were 210 000 patients (prevalence) with multiple myeloma in the seven major markets (US, EU, UK, and Japan), which is expected to increase to 240 000 patients by 2030.[2]

The median age at diagnosis is 69, and the disease is slightly more common in men than in women. Modern myeloma treatment has meant that the prognosis for the disease has improved markedly in the past two decades, with almost 50 percent of patients living with myeloma for five years or more after diagnosis.[3] Long-term survival is no longer uncommon.

The market for Multiple Myeloma in the US, EU5, Japan and China were 17.8 billion dollars in 2020 and is estimated to increase to 21.6 billion dollars by 2027.[4]

The clinical program for NEX-20

In December 2022, Nanexa initiated the Phase I study of NEX-20 at three different dose levels in healthy volunteers. In June 2023, dosing was completed and in August it was announced that pharmacokinetic results from the study confirm controlled release of lenalidomide up to 21 days. The final compilation of safety and tolerability data did not reveal any unexpected findings that question the safety of lenalidomide as a depot preparation with PharmaShell. However, local reactions with redness and/or swelling corresponding to the area of injection were observed with the given formulation of NEX-20. The reactions varied from mild at the lower dose levels to moderate at higher doses. All reactions resolved during the study period.

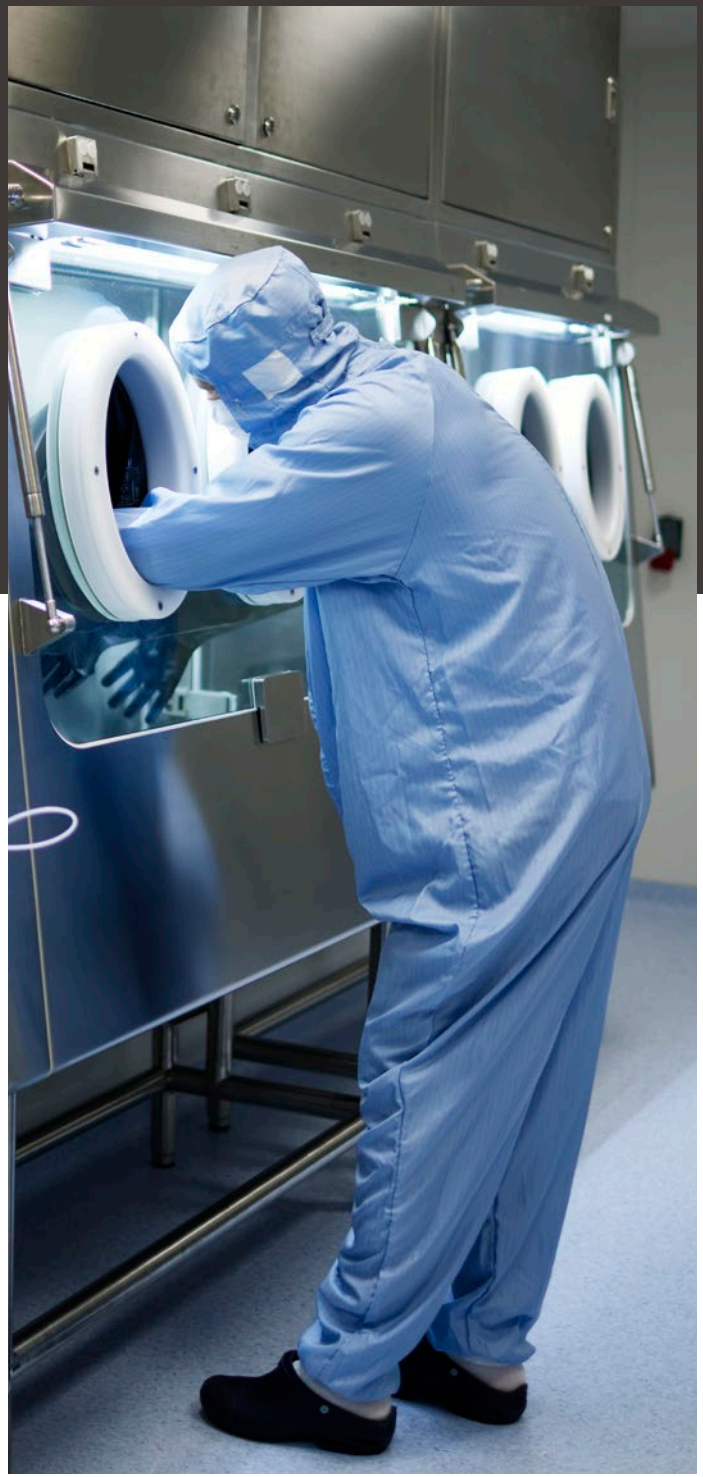
During the summer of 2023, a preclinical study was conducted in minipigs with a new formulation of NEX-20 that resulted in significantly less swelling at the injection site. The next step in the clinical program for NEX-20 is to continue with dose escalation to therapeutic levels in patients, with a new improved formulation.

In December 2023, the Board of Directors of Nanexa decided on tactical priorities to focus the business on its own project NEX-22, the partner project with Novo Nordisk, and other prioritized partner projects. Nanexa still sees great value potential in the oncology projects NEX-18 and NEX-20 and plans to continue the development as soon as possible when the financial situation allows or in collaboration with partner companies.

[1] Mian H, Fiala M, Wildes TM. Adherence to Lenalidomide in Older Adults With Newly Diagnosed Multiple Myeloma. Clin Lymphoma Myeloma Leuk. 2020
[2] Datamonitor, Multiple Myeloma Patient-Based Forecast Dec 2021
[3] Myeloma, Cancer Research UK, www.cancerresearchuk.org/about-cancer/myeloma
[4] Global Data Multiple Myeloma - Market Analysis 2017–2027 March 2019

NEX-18

The goal: simplified everyday life for patients with myelodysplastic syndrome (MDS)



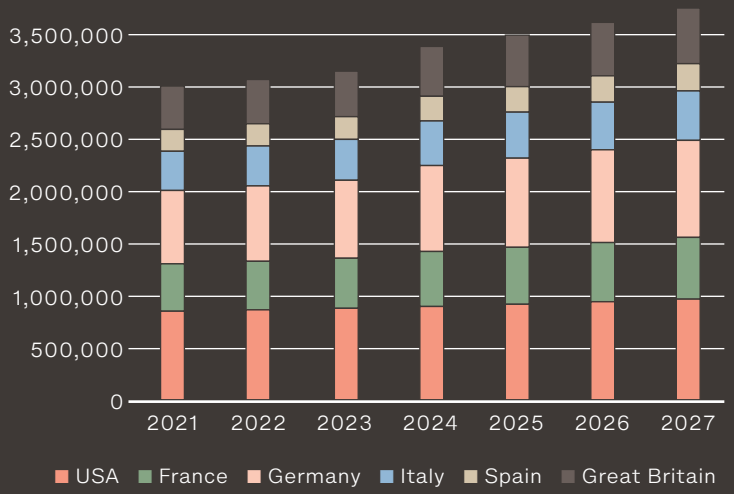
Azacitidine is currently part of the basic treatment of MDS and is included in the treatment guidelines published by both the European Society for Medical Oncology (ESMO) and the National Comprehensive Cancer Network (NCCN). The current treatment options with azacitidine face a challenge in that they are given as daily injections at a clinic for one week each month, followed by a recovery period of three weeks before the treatment is repeated. Patients who have MDS need to visit the clinic every day they need an injection, which is a big burden for both patients and their families. Each visit takes up to half a day, resulting in approximately 30 hours of clinic time per month and a significant cost to the healthcare provider. Reducing the number of clinic visits with a long-acting injection would be of great benefit to patients, providers, and payers.

The goal of NEX-18 is to replace current treatment with seven injections to only one injection per month, with the same or greater efficacy. The short half-life of Azacitidine with the injection products currently available on the market today means that the concentration in the blood is initially high after each injection. NEX-18's lower and more consistent blood levels over time could lead to a better side-effect profile.

A formulation of NEX-18 with continuous release over a longer period of time could provide a product with better (superior) efficacy than Vidaza® by allowing cancer cells to be affected for a significantly longer time and more cell division cycles.

Nanexa makes the judgement that azacitidine will continue to play an important role in the future - both as a standard treatment and as the basis for combination treatments with new therapies.

Azacitidine forecast EU and US (units)



Source: Coherent MDS Market forecast 2021 and Coherent MDS Market report, 2020.

Myelodysplastic syndrome

Myelodysplastic syndrome (MDS) is a group of chronic diseases in which haematopoiesis (blood formation) does not function normally. The cause of this is that the haemopoietic stem cells in the bone marrow are not capable of producing mature blood cells of different types (red and white blood corpuscles and platelets). In the majority of cases this means that the patients have anaemia, too low a number of white blood corpuscles (leukopenia) and a reduced number of platelets (thrombocytopenia).

MDS occurs primarily in the elderly. The median age at diagnosis is 71, and the incidence rises substantially after the age of 60. The disease is somewhat more common in men than in women. Datamonitor Healthcare estimates that in 2019 there were approximately 238,000 patients with MDS globally and that the number would increase to 313,500 by 2028 – 26,000 of these being in North America and 55,000 in Europe.[1]

The market for MDS in the US, the EU and China was 2.0 billion dollars in 2020 and is expected to increase to 3.4 billion dollars by 2027.[2]

[1] Datamonitor MDS Spotlight, November 2020
[2] Coherent MDS Market report, 2020

The clinical program for NEX-18

During 2021–2022, the first Phase 1 clinical study with NEX-18 was conducted and showed an expected depot effect with a prolonged release of azacitidine. Moderate skin reactions occurred at the injection site that led to the clinical program being paused to conduct further preclinical studies to study how the NEX-18 formulation can be optimized to prevent similar skin reactions.

Nanexa has also noted that clinical data from the related indication AML suggests that a longer exposure to a demethylating drug such as azacitidine may be beneficial in these types of haematological cancers. The scientific advisory board for the project advises Nanexa to study the possibility of creating a product with better (superior) efficacy than Vidaza® based on the fact that a long plasma profile of NEX-18 compared to Vidaza® affects the cancer cells for a significantly longer time and can affect more cell division cycles during treatment (shown as demethylation of DNA). Evaluating this means expanding the preclinical program with efficacy studies at the so-called demethylation level together with complementary preclinical studies to determine that the optimized formulation does not produce the tissue reactions demonstrated in the first study.

In December 2023, the Board of Directors of Nanexa decided on tactical priorities to focus the business on its own project NEX-22, the partner project with Novo Nordisk, and other prioritized partner projects. Nanexa still sees great value potential in the oncology projects NEX-18 and NEX-20 and plans to continue the development as soon as possible when the financial situation allows or in collaboration with partner companies.

Nanexas drug delivery-system PharmaShell®

PharmaShell enables the development and production of a completely new generation of long-acting injectable drugs. With PharmaShell, Nanexa coats small particles of an active pharmaceutical substance with an extremely thin, dense coating of an inorganic material, like the shell of an egg. When these coated particles are injected as a depot into the body, the release of pharmaceutical substance is controlled by dissolution of the coating material. The coating process takes place using Atomic Layer Deposition (ALD) technology, which allows the thickness and composition of the coating material to be adjusted. In this way, it is possible to control the dissolution time of the coating and thus the release of the pharmaceutical substance from the depot into the body.

The goal in drug treatment is to achieve a sufficiently high plasma concentration of pharmaceutical substance to produce efficacy and simultaneously avoid the concentration becoming too high, thus risking contributing to side effects. One challenge in the development of depot drugs is that the initial release, also referred to as the initial burst, often becomes too high, which can create toxic plasma concentrations of pharmaceutical substance in the blood, leading to unwanted side effects. PharmaShell creates the unique ability to also control the initial release, which is a great advantage compared to other technologies and solutions for long-acting release of active pharmaceutical substance.

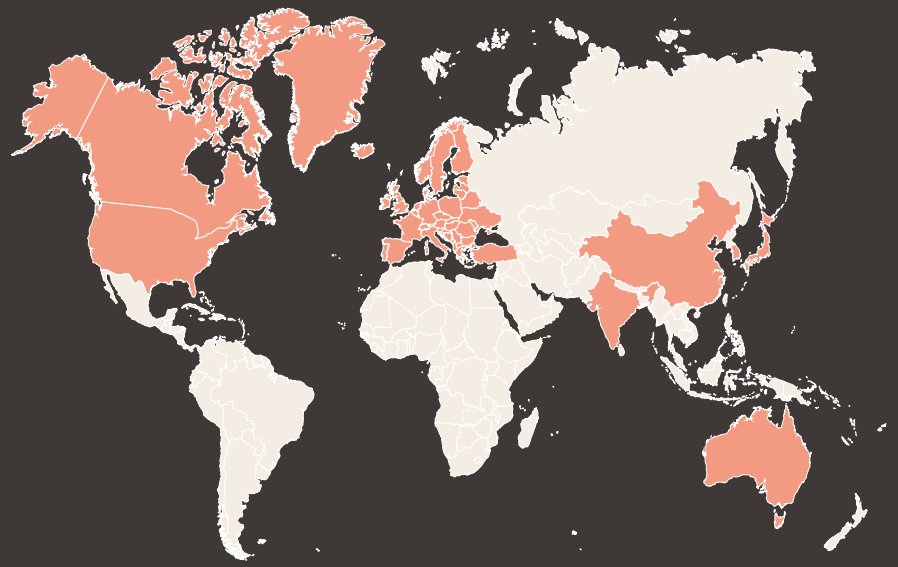
PharmaShell is a versatile technology platform. Through extensive preclinical studies, Nanexa has shown that PharmaShell can be used for all possible pharmaceutical substances – from small-molecule to biological substances such as antibodies and peptides. Nanexa has also shown that the company can create drug depots that last from one week up to several months. The versatility of PharmaShell is something that Nanexa does not see in competing technologies and solutions.

A major advantage of long-acting drugs compared to treatments that require daily administration, for example, is that there is no risk that patients will miss taking their medication. It is common for patients not to follow their prescribed drug treatment, which can in turn lead to reduced or no treatment effect. With long-acting injectable drugs, this type of problem can be avoided, creating benefits for patients, the healthcare system and society in general.

Benefits of PharmaShell®

- Possibility of controlling the depot length in order to optimise treatment. Everything from one week to one month or several months
- Possible to control the initial release after administration in the body, which is a common problem for most competing depot preparation systems
  - Makes depot formulation of high potency substances possible
  - Enables high doses in depot preparations
- Very high drug load (up to 80 per cent)
  - Minimises injection volumes
  - Enables depot preparation of less potent drugs
  - Enables longer depot preparations
- Flexible, can be used for many different drugs
  - Small molecules
  - Biological substances such as peptides and proteins
  - Substances with high and low solubility
- Prevents breakdown of the drug after injection into the body
  - The PharmaShell coating protects the substances from being broken down while they are in depots
- Numerous applications
  - Subcutaneous or intramuscular administration for systemic exposure
  - Local administration in the case of tumours or other tissue for local effect

Patent



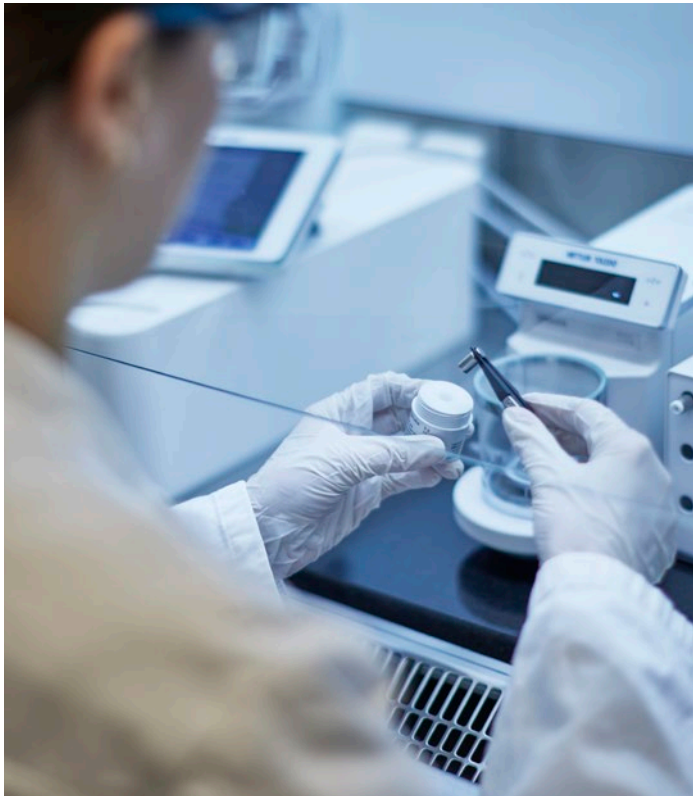
Nanexa's patent portfolio is growing steadily and currently consists of approved patents and patent applications in 14 patent families. The basic patent relates to the technology that enables the coating of drug particles with a metal oxide shell using ALD. The basic patent covers the manufacturing method, the products that come out of it and the use of PharmaShell®-formulated drugs.

Nanexa's first approved patent application was filed in 2013 and is valid until 2033 in all major markets. Since then, the company has continued to develop the technology and faced new challenges that have resulted in more patent applications. In the last five years, 13 new patent applications have been filed and granted patents will be valid for 20 years after the filing date. The latest patent application was filed in June 2023 and, if approved, will be valid until 2043.

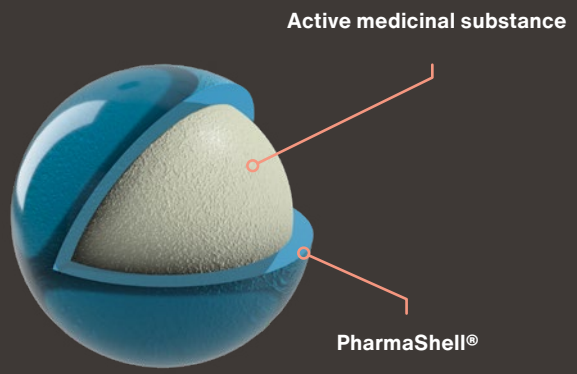
The basic patent, first restricted to injectable preparations, was approved in the US in January 2019. Since then, it has also been approved in all the countries for which Nanexa applied for patent protection, i.e. the US, Canada, the EPO countries (EU, Norway, and Switzerland), South Korea, Japan, India and China as well as all countries in the EU. With that, the patent has been approved in all countries where the patent was applied for.

In September 2020, Nanexa received approval for a patent application in the UK relating to an ALD reactor adapted for commercial production of PharmaShell-coated drugs. The patent is also approved in the US.

In addition to this, the company has ongoing patent applications relating to improvements to the PharmaShell process, drug formulations and processing equipment for PharmaShell. These applications are at an early stage in the patenting process. Nanexa's assessment is that the company is at the forefront of ALD technology in drug development, and it is important for Nanexa to work actively on intellectual property issues. New questions are constantly emerging in the development process and the company's patent team works closely with the company's patent representative to protect the patent portfolio and new inventions.



ALD



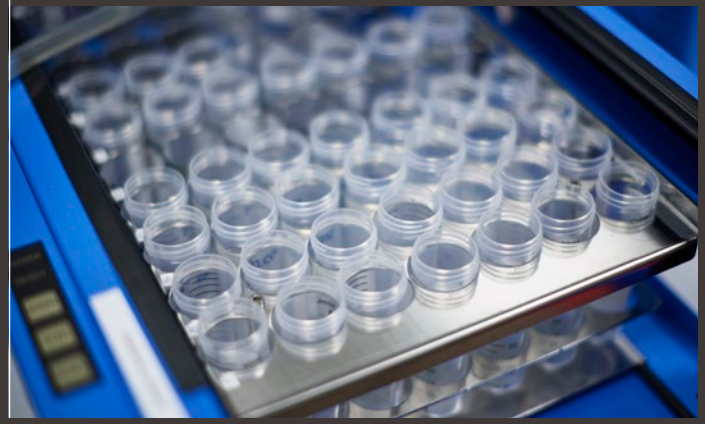
ALD – The coating technology behind the PharmaShell® drug delivery-system

PharmaShell is based on Atomic Layer Deposition (ALD), a well-established technology that has been used on a large, automated scale in the electronics industry for decades. The technology is now being used by Nanexa to manufacture the PharmaShell coating.

The ALD technology builds up a very thin surface coating, atomic layer by atomic layer, through use of reactive gases. The ALD technology makes it possible to tailor the structure of the coating (PharmaShell) which encloses the drug, both in terms of the thickness and content, which makes it possible to control the unique properties that PharmaShell has.

Nanexa's application of the ALD process takes place at low temperatures, down to room temperature, which is important to avoid damaging and inactivating the pharmaceutical substance that is enclosed. A further benefit of the ALD process is that no solvents or other additives, which then must be removed at later stages of the process, are needed. The technology is thus very simple in essence and suitable for large-scale production.

Production and plant



A unique pilot plant means flexibility and new opportunities

In Nanexa's pilot plant, which was completed and approved by the Swedish Medical Products Agency in 2022, additional clinical trial material has been produced during the past year, this time for the NEX-22 project. The unique design of the pilot scale facility enables the handling of both potent/toxic drugs and drugs that require manufacturing in an almost sterile environment (aseptic manufacturing). These characteristics are useful for the NEX-22 product and allow for a milder than normal sterilization procedure, which is necessary for biological substances such as the peptide in NEX-22 that can be destroyed if too strong sterilization methods are necessary.

Having its own GMP production with permission from the Swedish Medical Products Agency means that Nanexa continues to have full control over the production of trial materials for clinical studies in its projects - a prerequisite for the company itself to go from idea to clinical trial.

The new pilot plant and the collaboration with Applied Materials Inc. for scaling up production equipment mean that Nanexa will be well equipped to take drug projects through all clinical development phases, including phase III studies, and establish a basis for large-scale commercial production.

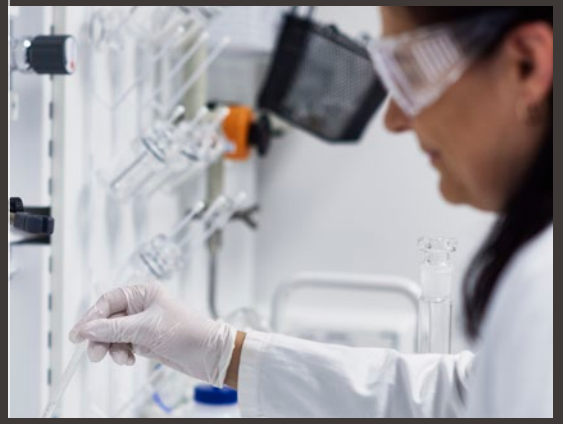
The collaboration with Applied Materials

In 2020, Nanexa entered into a cooperation agreement with Applied Materials Inc., – an American company that is a world leader in materials technology solutions that are used to produce practically all new chips and advanced screens throughout the world. The cooperation agreement primarily relates to development of equipment and processes for large-scale production of pharmaceuticals based on ALD and the PharmaShell® system. The collaboration has become closer since then and in 2022 a supplementary agreement was also entered into to regulate commercial matters and pave the way for potential future licensing agreements with customers in the pharmaceutical industry. It regulates matters such as mutual cost and revenue sharing as well as Nanexa's exclusivity for out licensing in the parenteral area (injectable drugs).

In parallel to the cooperation agreement, Applied Ventures, the venture capital arm of Applied Materials, invested approximately 2.5 million dollars in Nanexa through a directed issue and a subsequent preferential rights issue of shares in 2021 and 2023. Applied Ventures currently owns 5.2% of the number of shares and votes in Nanexa.

Sustainability

Nanexa's quest to create long-term value goes hand in hand with the world's increased focus on sustainability. In a time when everyone is required to take responsibility for social and environmental issues, Nanexa has in 2023 raised our level of ambition and clarified how we integrate sustainability into our business, our values, and our vision.



A clearer framework

Social and environmental sustainability is an important part of Nanexa's work and operations are conducted in accordance with regulatory guidelines and industry standards that naturally integrate many of the most important sustainability issues. The focus of the sustainability work is on ensuring that operations are conducted in accordance with ethical guidelines and taking into account the environmental impact of both Nanexa's operations and those of our suppliers.

Based on the UN Agenda 2030, Nanexa has developed a framework for our sustainability work. We have chosen to focus on seven of the 17 goals where we see that we have the greatest opportunity to influence. In relation to each goal, we have then identified our contribution and set goals until 2028. The framework is clarified in the table on the next page.

Sustainability in our business

Quality systems

Nanexa develops innovative drug delivery system in order to create effective solutions to important medical issues. Quality is sought in every part of the development and all employees should feel a common responsibility to achieve both the company's own and its partners' goals. With a well-developed quality system, the goal is to meet the requirements set by authorities, both national and international. The company builds quality from start in all processes by continuously monitoring results and working with the processes' continuous improvements. The goal for Nanexa is to help improve today's drug treatment in several different indication areas.

Nanexa's manufacturing of materials for use in clinical trials takes place under Good Manufacturing Practice (GMP) conditions according to regulatory requirements. Tests and studies are then conducted during the preclinical and clinical development phases to ensure that the final drugs are both effective and safe. Regulatory approvals are always required for clinical studies, which are then conducted within the framework of the relevant country's legislation and ethical rules. The trials and studies are structured in accordance with applicable standards, guidelines and directives, such as Good Clinical Practice (GCP).

Environmental impact

Nanexa is committed to directly and indirectly preserving and protecting the environment in all aspects of its operations, for example by minimizing the use of disposable items and other consumables and reducing electricity consumption where possible. We also strive to use technologies that reduce negative impacts and consider environmental criteria when selecting suppliers. Finally, we are also working to improve the efficiency and effectiveness of the transportation modes used.

As a knowledge-intensive company, we want our employees to be able to participate in international conferences and meetings to stimulate development and the exchange of ideas and experiences. We are also keen to reduce our environmental impact and therefore strive to communicate digitally, which means that we encourage conference calls and online meetings.

Employees

Nanexa supports the UN Global Compact's ten principles in human rights, labor law, environment and anti-corruption. Nanexa strives for openness and transparency in business and the development of sustainability work is a constantly ongoing process. Nanexa's starting point is that all employees have equal value and equal opportunities, regardless of background and individual differences, and that these differences in interaction increase the power of development and change and become an asset to the organization. Nanexa continuously reviews the company's processes to ensure that they are in line with the company's diversity policy. Diversity criteria are considered when recruiting employees and when contracting consultants. The ambition is to achieve a strong commitment among employees and to have a low staff turnover.

Our indirect environmental impact

In addition to Nanexa's direct impact on the environment, there is also a large potential indirect impact. Nanexa's PharmaShell® enables the controlled release of different drug substances over days, weeks or even months. This means that patients who previously needed to visit healthcare facilities or take medicine daily now can do so less frequently. Consequently, patients need to make fewer trips as part of their treatment and the use of disposable products, such as syringes, can be significantly reduced. Depending on the indications, we see different potential environmental benefits.

Nanexa's contribution to the global goals

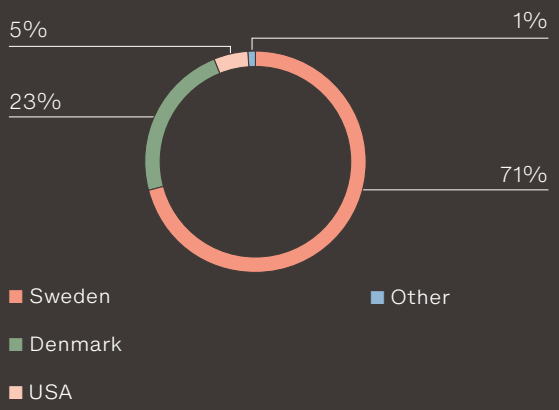
Nanexa's sustainability work contributes to the UN's 17 global sustainability goals. Nanexa supports all 17 goals but has identified seven goals where we have the greatest impact.

SUSTAINABILITY GOALS	DESCRIPTION OF THE GOAL	NANEXAS CONTRIBUTION	NANEXAS GOAL FOR 2028
	All people should have the opportunity to enjoy good health and well-being. Recent decades have seen great progress in this area. Life expectancy in the world today is 72 years and has increased by 20 years since the 1960s.	Drug treatments that are currently very demanding for patients will be improved and simplified with the help of Nanexa's PharmaShell system. A treatment that today requires daily injections can in the future be replaced by month-long or longer depots and compliance is greatly facilitated, which will contribute to the achievement of the target.	→ To bring at least one long-acting product to regulatory approval and to the market. → To run at least five own projects based on the PharmaShell system where a significant increase in the quality of life of patients is in focus.
	Achieve gender equality and the empowerment of all women and girls.	Nanexa works continuously with its gender equality work, including by constantly developing policies in the direction of greater equality.	→ To have an equal (+/-20%) gender balance among staff including management and board.
	Ensure access to and sustainable management of water and sanitation for all.	Providing products that are administered as depots reduces the risk of drugs contaminating the environment. Nanexa's manufacturing process is a dry process, i.e. no solvents need to be used in manufacturing and the risk of environmentally hazardous emissions during production is therefore significantly lower than in manufacturing processes where solvent-based processes are used.	→ To have at least one long-acting product for regulatory approval and on the market, thereby reducing the risk of pharmaceutical substances entering water systems.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment with decent working conditions for all.	Nanexa strives to be an attractive workplace where staff can feel that they thrive, develop and can influence their work. Nanexa works continuously with issues concerning the work environment, safety, equality and diversity.	→ To be one of the most attractive workplaces in the pharmaceutical field in Sweden. → To have an attendance rate above 97%. → To ensure that all the company's first tier suppliers comply with Nanexa's ethical guidelines.
	Building resilient infrastructure, promoting inclusive and sustainable industrialization and promote innovation.	Nanexa will contribute to sustainable industrialization by catalysing the transition to a sustainable, resource-efficient pharmaceutical industry based on environmentally friendly technologies.	→ To develop an environmentally sustainable production chain suitable for large-scale manufacturing of commercial PharmaShell-based products.
	Ensure sustainable consumption and production patterns.	Nanexa's innovations can help reduce pharmaceutical waste through long-acting drug treatments and minimize the environmental footprint of diseases with a growing prevalence in the increasing geriatric population. This is done through responsible production and optimized overall care.	→ To reduce production waste by at least 30%. → To ensure that administration products such as syringes, vials, etc. are made from materials from sustainable sources to 50%.
	Take immediate action to combat climate change and its consequences.	Nanexa works to raise awareness of climate change issues among its staff by encouraging sustainable travel. Nanexa also works to limit the use of disposable items.	→ To reduce business-related travel by 50% (based on the number of employees). → To reduce the use of disposable products by 50% (based on the number of employees). → Having procedures in place for holding annual training courses for employees with a focus on climate action.

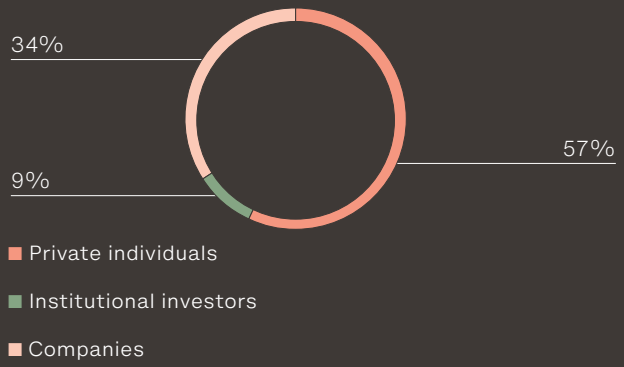
The share

Ownership structure as of December 31, 2023

Country breakdown



Breakdown of ownership type



Nanexa's share has been listed on the Nasdaq First North Growth Market since 29 May 2020, and is included in both First North All share SEK and First North Health Care PI index.

The share was previously listed on the Spotlight Stock Market (formerly Aktietorget) since 17 June 2015.

Facts about the Nanexa share

Number of shares*	135,695,626
Market capitalization, MSEK*	140
Ticker	NANEXA
ISIN	SE0007074166

* As of 31/12/2023

Nasdaq First North Growth Market and Certified Adviser

First North Growth Market is an alternative marketplace for Nordic growth companies designed primarily for small and medium-sized companies. It does not have the same legal status as a regulated market and the regulations are somewhat less extensive than those that apply to the stock exchange's larger marketplaces. All companies whose shares are traded on the First North Growth Market have a Certified Adviser who monitors that the company complies with the First North Growth Market's rules for providing information to the market and investors.

Nanexa's designated Certified Adviser is:
Carnegie Investment Bank AB (publ)
Apelbergsgatan 27, Box 7405
SE-103 91 Stockholm, Sweden

Earnings per share

Earnings per share before and after dilution for the period January–December 2023 amounted to SEK -1.09 (-1.16).

Dividend policy

Nanexa does not currently have a dividend policy. Nanexa is a growth company where the plan is to allocate profits generated for development of the business, and Nanexa does not anticipate providing any dividends in the next few years. Share dividends may be relevant in the future when Nanexa's profits and financial position allow it.

Share capital

As of 31 December 2022, Nanexa's share capital amounted to SEK 17,561,912 kronor. The number of outstanding shares was 135,695,626 which corresponds to a quotient value per share of SEK 0.13. The number of shares at full dilution of outstanding warrants was 138,403,626.

The 10 largest owners as of 31 December 2023

	NUMBER OF SHARES	SHARE
Novo Nordisk A/S	27,000,000	19.9%
Försäkringsbolaget Avanza Pension	7,378,659	5.4%
Applied Ventures, LLC.	7,004,226	5.2%
Nolsterby Invest AB	4,561,606	3.4%
M2 Capital Management AB	4,167,194	3.1%
Jan Petersen	3,537,863	2.6%
Nordnet Pensionsförsäkring AB	3,429,219	2.5%
Mikael Jacobsson	3,279,665	2.4%
Formue Nord A/S	2,909,103	2.1%
Ivar Nordqvist	2,327,825	1.7%
Total 10 largest owners	**65,595,360**	**48.3%**
Other shareholders	70,100,266	51.7%
Total	**135,695,626**	**100,0%**

Källa: Holdings

Analysts covering Nanexa

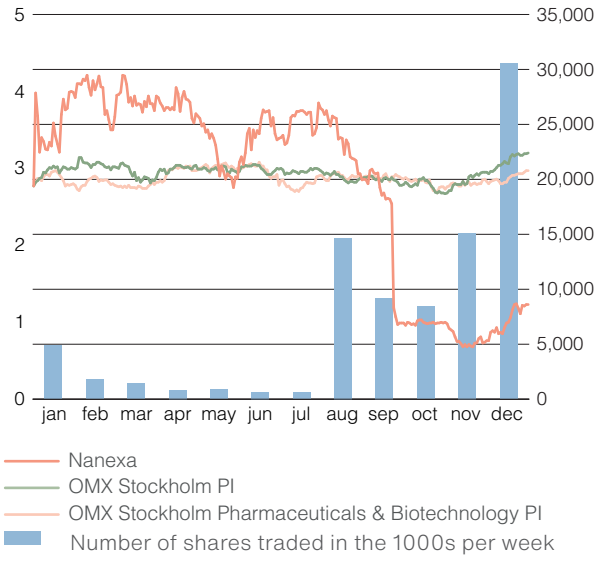
Fredrik Thor, Redeye
fredrik.thor@redeye.se
Alexander Krämer, ABG Sundahl Collier
alexander.kramer@abgsc.se
John Widmark, Emergers
johan@emergers.se

The average number of shares during the period January–December 2023 was 70,147,681 (50,695,626). Including full dilution of outstanding warrants, the average number of shares was 72,814,796 (52,679,086).

According to the company's articles of association, the share capital must be at least SEK 7,750,000 and at most SEK 31,000,000 kronor, distributed over a minimum of 60,000,000 and at most 240,000,000 shares. Each share carries one vote at the shareholders' meeting.

Shareholders
Nanexa had 3,298 shareholders as of 31 December 2023.

Nanexa's share price development and turnover
As of 29 December 2023, the closing price was SEK 1,23 (2,77), which was a decrease of 55.6 percent over the year. The highest closing price during the year was SEK 4.2, recorded on 8 February 2023 and the lowest closing price was SEK 0.68 kronor, recorded on 9 November 2023.



Administration report

The Board of Directors and the CEO of Nanexa AB (publ), with registered office in Uppsala and company registration number 556833-0285, hereby submit the annual report for the financial year 2023.

Figures in brackets refer to last year. All amounts are expressed in SEK '000 (TSEK) unless otherwise specified.

Nanexa's operations

Nanexa is a pharmaceutical company that is developing injectable drugs based on the patented and innovative drug delivery system PharmaShell®, a system that enables next-generation, long-acting injectables with high drug load and manufactured with atomic layer precision.

Nanexa originates from the Ångström Laboratory at Uppsala University and has since the start in 2007 based its business on the coating technology Atomic Layer Deposition (ALD). Since 2015, the company focuses on the PharmaShell system where ALD is applied as a drug delivery technology. Nanexa drives the development of a product portfolio of its own drug candidates, based on PharmaShell, and also has several evaluation projects for licensing the technology to external development partners, which primarily consist of major global pharmaceutical companies. The company has developed its own GMP-certified manufacturing for clinical trial materials and, through the collaboration with Applied Materials and its own pilot plant in Uppsala, has unique capacity for ALD-based manufacturing of pharmaceuticals also for more large-scale development projects and potentially commercial scale.

Multi-year review (TSEK)

	2023	2022	2021	2020
Net sales	29,327	2,861	2,374	2,367
Operating income	-76,625	-57,980	-35,821	-21,489
Intangible fixed assets	40,476	65,248	45,708	33,542
Cash and cash equivalents	15,168	81,182	105,660	12,691
Equity	95,830	109,096	151,293	43,351
Equity/assets ratio (%)	72,2	64,1	91,70	80,70
Number of employees, average	19	17	13	10
Number of outstanding options	2,708,000	2,479,000	1,496,000	4,147,978
Cash flow from current activities	-42,658	-7,871	-25,128	-16,827
Cash flow from investment activities	-34,248	-35,422	-25,789	-20,801
Cash flow from financing activities	60,892	18,814	143,886	38,940
Cash-flow for the year	-16,014	-24,478	92,969	1,313
Cash and cash equivalents at end of year	65,168	81,182	105,660	12,691
Earnings per share	-1,09	-1,16	-1,01	-1,09
Equity per share	0,71	2,15	2,98	2,04
Average number of shares	70,147,681	50,695,626	35,633,470	19,914,967
Number of shares at end of the year	135,695,626	50,695,626	50,695,626	21,223,854

Definitions of key ratios

Equity	Total of equity, restricted reserves and unrestricted equity
Equity/assets ratio	Equity divided by balance sheet total
Earnings per share	Profit after tax divided by average number of outstanding shares

Significant events during the year

Quarter 1

→ Nanexa announced the successful outcome of the first preclinical study with NEX-22. In a one-month study in rats, with single doses of two different PharmaShell formulations at different doses, a controlled release of liraglutide was demonstrated, with plasma exposure over 28 days for NEX-22, compared to approximately 2 days for a solution of liraglutide without PharmaShell.

Quarter 2

→ Nanexa announced the completion of recruitment and dosing in the Phase 1 study of NEX-20. The study began in December 2022 with healthy volunteers administered single doses in three consecutive escalating dose groups.

→ Nanexa signed an agreement with the contract research organization (CRO) Profil in Neuss, Germany, for the upcoming Phase I study of NEX-22, a monthly depot of liraglutide for the treatment of type 2 diabetes and ultimately obesity. Profil is highly specialized in early clinical studies in diabetes and obesity and has an excellent global reputation for conducting clinical research in these two indications.

Quarter 3

- → Nanexa received pharmacokinetic data from the phase I study NEX-20-01 that confirmed a release profile of lenalidomide at various doses up to 21 days.
- → Nanexa received results from a preclinical study of NEX-22 in minipigs confirming a long release profile of liraglutide, as previously seen in rats. The data shows that a release profile of NEX-22 can be obtained for at least 28 days which was the length of the pharmacokinetic study and the objective of the study.
- → Nanexa was granted a patent in India for its PharmaShell technology. The patent covers the relevant manufacturing method, coated drug particles resulting therefrom and pharmaceutical composition containing these particles.
- → Nanexa announced on September 21 that the company is conducting a rights issue of approximately SEK 121 million, which was secured by subscription commitments and guarantee commitments totaling SEK 75 million.

Quarter 4

- → Nanexa announced the completion of the phase I study NEX-20-01. In addition to previously communicated positive results from the pharmacokinetic evaluation, the company received final safety and tolerability data that also support the further development of the project.
- → Nanexa announced the outcome of the previously announced rights issue where 42,146,268 shares had been subscribed with and without the support of subscription rights and guarantee commitments exercised for an additional 32,853,732 shares. The rights issue thus provided the company with SEK 75 million before deduction of transaction costs, which amounted to a total of approximately SEK 12 million.
- → Nanexa signed a so-called Material Transfer and Feasibility Study Agreement with one of the largest global pharmaceutical companies, for the evaluation of Nanexa's drug delivery system, PharmaShell, in a depot formulation of a monoclonal antibody.
- → Nanexa announced that the clinical trial application for the Phase I study of NEX-22 in patients with type 2 diabetes has been received and validated by the European Medicines Agency (EMA).
- → Nanexas decided to focus the business on three key areas. The decision entails tactical prioritization and cost savings with the aim that the current cash position and expected revenues from evaluation agreements will be sufficient until mid 2025, and enable significant value-creating progress in prioritized collaborations and the proprietary project NEX-22.

Net sales and result

Net sales for the year amounted to SEK 29,327 (2,860) thousand, of which SEK 21,946 (608) thousand relates to the prepaid exclusivity fee from Novo Nordisk, SEK 6,696 (1,208) thousand relates to income from partner projects with Novo Nordisk, among others, and SEK 599 (1,023) thousand relates to coating of sensors. The monthly accrued amount has in connection with the annual accounts and updated assessment of duration within the framework of the exclusivity agreement been adjusted downwards by SEK 626 thousand from December 2023. Capitalized development costs amounted to SEK 29,830 (24,311) thousand, of which about 50 percent relates to NEX-22, about 25 percent to NEX-20 and the remaining parts to the PharmaShell system and NEX-18.

External project and development costs during the year amounted to SEK -27,709 (-23,769) thousand, an increase mainly attributable to the NEX-22 project and to a lesser extent PharmaShell development. Other external costs amounted to SEK -24,697 (-28,816) thousand, a decrease explained by non-recurring costs in 2022, mainly the patent dispute in the US and also the preparation of new premises, which more than offset increased costs for, among other things, rent and maintenance of the new pilot plant and financial services in 2023. Personnel costs amounted to SEK -23,415 (-22,773) thousand in 2023 and have increased with a slightly higher average number of employees, while the provision for variable remuneration was lower for 2023. Depreciation amounted to -59,868 (-10,504), where the increase is mainly explained by write-downs of capitalized development costs for NEX-18 and NEX-20 totaling SEK 45,563 thousand, which is due to the projects being paused in connection with decisions on short-term tactical prioritization of NEX-22 and certain partner projects. NEX-18 and NEX-20 are considered to have high commercial potential and are planned to be resumed when the company has sufficient resources.

The result for the year amounted to SEK -76,398 (-58,571) thousand.

Cash flow and investments

Cash flow for the period January-December 2023 amounted to SEK -16 014 (-24 478) thousand. The change in working capital amounted to SEK -25,763 (40,259) thousand, where the large decrease is explained by the fact that prepaid income from Novo Nordisk of approximately SEK 44 million was booked at the end of 2022, which has then partly been recognized as income during 2023. Cash flow from investing activities amounted to SEK -34,248 (-35,422) thousand, where capitalized development costs increased while capitalized patent costs decreased, which also applies to investments in tangible fixed assets that were significantly higher in 2022 in connection with the relocation to new premises. Cash flow from financing activities amounted to SEK 60,892 (18,814) thousand, where new issues of shares and warrants provided net proceeds of SEK 63,132 (16,375) thousand, while the net of new and amortized loans amounted to SEK -2,240 (2,441) thousand.

Financial position

As of December 31, 2023, cash and short-term investments amounted to SEK 65,168 (81,182) thousand and equity amounted to SEK 95,830 (109,096) thousand.

In November 2023, the company completed a rights issue of SEK 121 million, which was covered by subscription commitments from existing owners, board and management, and guarantee commitments from external investors, totaling SEK 75 million. The outcome of the issue showed that shares corresponding to SEK 42.1 million were subscribed with and without subscription rights and SEK 32.9 million were covered by guarantee commitments. The company thus received approximately SEK 63 million after deduction of transaction costs.

The company decided during the fourth quarter on tactical priorities, whereby the business is focused on three key areas and significant cost savings can also be realized. Overall, the Board therefore assesses that the company's current working capital and cash and cash equivalents are sufficient to finance operations for the next 12 months from the submission of this report.

Personell

The number of employees at the end of the year was 19 (19), of which 8 (7) women and 11 (12) men. The average number of employees (FTE) during the year was 19 (17). In addition to employees, Nanexa continuously hires about ten consultants with key expertise in areas such as drug development, quality assurance and business development.

Expected future developments

In the coming years, the company is working to realize its business concept and vision through its strategy and thereby achieve its set goals.

In 2024, the company expects to conduct a clinical phase I study with NEX-22 and take decisive steps in development within the framework of the evaluation agreements entered into with, among others, Novo Nordisk, and by extension enter into in-depth development and license agreements regarding the PharmaShell system.

In 2025, continued clinical development in NEX-22 (Phase Ib) is planned and, subject to available resources, continued preclinical and clinical development in NEX-20 (Phase Ib) and NEX-18 (Phase Ib).

The wars in Ukraine and Gaza

The geopolitical situation changed significantly with Russia's invasion of Ukraine in February 2022, where the war of aggression continues. In 2023, the war between Israel and Hamas has added further geopolitical tensions and disruptions. In addition to unrest and great human suffering, these conflicts have created uncertainty and had a negative impact on economic development in Europe and the world, including through high inflation. Nanexa's management is monitoring developments closely and currently assesses that the war has no direct impact on the company's operations.

Risks and uncertainty factors

Nanexa's operations are affected by a number of factors, the effects of which on the company's earnings and financial position are in some respects somewhat or fully beyond the control of the company.

When assessing the company's future development, it is important to consider these risks, in addition to opportunities for profit growth.

The following describes, in no particular order, the significant risks and uncertainties that are considered to be of greatest importance for the company's future development.
In addition, Nanexa is affected by currency risk in connection with transaction exposure, primarily for changes in EUR, GBP and USD.

Risks related to drug development

Early-stage development projects are risky and associated with uncertainty

Nanexa conducts and has conducted a number of development projects that have not yet achieved any major commercial breakthrough.

Both the collaborative projects and the company's own NEX-18 and NEX-20 projects are in a preclinical and early clinical phase, which means that Nanexa will need to invest additional resources in research and development to achieve commercial success. Investments in development are associated with great uncertainty, as it is not possible to predict in advance the outcome of the studies that are carried out. Time and cost aspects of product development are also difficult to determine with accuracy in advance.

Regulatory risk

In the event that the trials conducted within the framework of Nanexa's development project are successful, the company's operations will be subject to regulatory approvals at a later stage from various national authorities such as the Food and Drug Administration (FDA) in the USA and the European Medicines Agency (EMA) in Europe. There is a risk that delayed or missing approvals may entail requirements for adaptation of the product, which may delay the market launch in various geographical markets and thus adversely affect the company's future earning capacity.

Business and operational risks

Dependent on collaborative partners

Nanexa operates a number of collaborative projects together with various pharmaceutical companies to evaluate PharmaShell in combination with potential drug candidates. The continued development of the company's operations is partly dependent on maintaining and developing existing partnerships and identifying new potential partners and, in the long run, entering into license agreements for the development of drug candidates, both for the proprietary product projects in subsequent clinical development and for the PharmaShell technology. It is normal in the sector in which Nanexa operates that only a small number of evaluation projects become product projects, and many product projects are terminated before they get through all phases of clinical development. There is thus a risk that one or more of these partners will choose not to proceed with the collaboration with the company.

There is also a risk that the companies with which Nanexa concludes partnership agreements will not fulfil their obligations.

Nanexa cannot control the resources that the company's current and future partners invest in the projects and the timing of such investments. The company's partners may also develop or evaluate alternative technologies that could compete with PharmaShell or that may affect Nanexa's partners' involvement in the collaboration. Finally, identifying and establishing new collaborations can be more costly and/or take longer than the company anticipates.

Future capital needs

Nanexa has not yet shown a positive operating result, and cash flow is expected to remain largely negative until the company manages to conclude licensing agreements that can generate revenue from milestone payments. There is a risk that the company's costs for product development may be more time-consuming and costly than planned. Nanexa may thus have to turn to the public to raise capital in the future. Both the size and the timing of the company's future capital requirements will depend on a number of factors, including success in research and development projects and the conclusion of collaboration and licensing agreements. There is a risk that new capital cannot be raised when the need arises, that it cannot be procured on favourable terms, or that such capital raised would not be sufficient to finance the business according to the plans.

Technological risk

The company's PharmaShell drug delivery system is based on a technique known in material science as ALD (Atomic Layer Deposition). Although Nanexa believes that the company's technology meets the criteria set to achieve the requested drug release properties, there is a risk that the technology will not work on all individual drugs.

There is also a risk that pharmaceutical authorities find that there are medical risks associated with the PharmaShell material and that more extensive studies must be carried out to determine whether such risks actually exist.

Dependence on key people

In recent years, Nanexa has built up an organization with qualified people to create the best possible conditions for the development and commercialization of the company's projects. However, Nanexa continues to be run by a relatively small organization and the company's future growth is largely dependent on the knowledge, experience and commitment of the management and other key personnel. The company may fail to retain these key personnel and

recruit new qualified personnel in the future, which may affect the company's cost base and adversely affect Nanexa's sales development. New recruitments can also take a long time to complete.

Dependent on suppliers for ALD equipment and pharmaceutical substances

The company purchases among other things ALD equipment, associated components, other GMP manufacturing equipment and pharmaceutical substances from external suppliers in order to produce PharmaShell-based products, such as its own NEX-18, NEX-20 and NEX-22 products. The equipment is central to the company's internal development work. There are a number of ALD equipment suppliers, as well as several government approved pharmaceutical substance suppliers. There is a risk that suppliers may greatly increase their prices or change their terms in general. Significant price increases would have a negative impact on the company's liquidity and profitability. Similarly, there is a risk that any delivery difficulties from the suppliers would contribute to delays in the company's projects.

Industry risks

The company's PharmaShell® technology is commercially unproven

The company develops and commercializes the PharmaShell drug delivery technology. ALD is an established technology within the semiconductor industry, but is commercially untested within medical applications. It is not possible to say with certainty that PharmaShell will receive a positive reception in the market. The number of license agreements entered into may be lower or take longer to realize than the company has reason to believe at present.

Competitors

There are a large number of operators developing drug delivery systems, both large pharmaceutical companies and smaller operators such as Nanexa. There are also several competing systems for long-acting parenteral products. Several of the company's competitors have greater resources than the company and may use these to strengthen their respective positions, for example by allocating more capital to invest in marketing or to compete with the company on price. Although Nanexa believes that the company's technology has unique characteristics, the company has not yet achieved a commercial breakthrough and there is a risk that new competing technologies will reach the market before the company achieves a commercial breakthrough. There is also a risk that other players will develop new technology that is superior to PharmaShell, which could impair Nanexa's competitive position.

Legal risks

Intellectual property rights

Nanexa is dependent on proprietary technology and the company's future success is partly dependent on the ability to obtain and maintain patent protection for PharmaShell. Nanexa holds a basic patent for PharmaShell in the USA, Canada, EU (EPO), Japan, South Korea, India and China. Working actively with the patent portfolio is a prerequisite for long-term value creation. There is a risk that Nanexa will not be able to obtain additional patent protection for PharmaShell or products based on the technology, that granted patents will not be maintained, that future research will not lead to patents or that granted patents will not provide sufficient protection for Nanexa's products. There is also a risk that third parties will infringe on patents owned or controlled by the company. Furthermore, third parties may have applied for patents covering the same product as the company's. If Nanexa is forced to conduct legal processes to determine who is entitled to a certain patent, the cost and time spent on such processes can be significant and there is a risk that the company may lose such processes, which could lead to the protection of the company's product ceasing or Nanexa having to pay significant damages.

Product liability

The individuals participating in Nanexa's clinical studies with PharmaShell may experience side effects, which may in turn delay or halt continued product development and limit or prevent the product's commercial use, or lead to claims for damages, including claims based on product liability. The side effects may also result in damage to the company's reputation, which can affect the company's position in relation to other players in the market. Should this occur, it would greatly affect Nanexa's ability to commercialize PharmaShell.

Events after the end of the financial year

No significant events after the end of the financial year.

Proposed distribution of earnings

The Board of Directors proposes that retained earnings:

	TSEK
Share premium reserve	317,961
Retained earnings	-197,577
Loss for the year	-76,398
	43,987
Carried forward to new accounts	43,987
	43,987

The company's earnings and position in general are shown in the following income statement and balance sheet, as well as cash flow statement and notes.

Income statement

TSEK	NOTE	2023	2022
Operating revenue			
Net sales	*2*	29,327	2,860
Capitalised work on own account		29,830	24,311
Other operating income	*3*	328	1,004
		59,486	**28,175**
Operating expenses			
External project and development expenses		-27,709	-23,769
Other external expenses	*4, 5, 6*	-24,697	-28,816
Personnel costs	*7, 8*	-23,415	-22,773
Depreciation of tangible and intangible fixed assets		-59,868	-10,504
Other operating expenses	*3*	-421	-294
		-136,110	**-86,156**
Operating income		**-76,625**	**-57,981**
Profit/loss from financial items			
Interest income and similar income statement		602	11
Interest expenses and similar income statement items		-487	-666
		115	**-654**
Profit/loss after financial items		**-76,510**	**-58,635**
Reported profit/loss before tax		**-76,510**	**-58,635**
Tax	*9*	112	64
Tax		**-76,398**	**-58,571**

Balance sheet

TSEK	NOTE	31/12/2023	31/12/2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure for development work	*10*	34,282	59,088
Patents	*11*	6,194	6,160
		40,476	**65,248**
Tangible fixed assets			
Improvement to leased property	*12*	4,547	5,394
Machinery and other technical installations	*13*	6,499	7,202
Equipment, tools, fixtures and fittings	*14*	3,199	2,497
Construction in progress and advances regarding tangible fixed assets	*15*	33	33
		14,278	**15,126**
Financial fixed assets			
Other securities held as non-current assets	*16*	1	1
Deferred tax assets	*17*	207	95
Other non-current receivables	*18*	0	1
		208	**97**
Total fixed assets		**54,961**	**80,471**
Current assets			
Stock, etc.			
Advance payments to suppliers		1,911	487
		1,911	**487**
Current receivables			
Accounts receivable		2,480	1,184
Other current receivables	*19*	3,769	4,288
Prepaid expenses and accrued income	*20*	3,968	2,583
		10,217	**8,055**
Short-term investments	*21*	50,000	0
Cash at bank and in hand	*21*	15,168	81,182
Total current assets		**77,296**	**89,724**
TOTAL ASSETS		**132,257**	**170,195**

TSEK	NOTE	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	*8, 22*	17,562	6,561
Unregistered share capital		0	1,294
Fund for development expenditure		34,282	58,649
		51,844	**66,504**
Unrestricted equity	*8, 23*		
Free share premium reserve		317,961	264,536
Retained earnings		-197,577	-163,373
Profit/loss for the year		-76,398	-58,571
		43,987	**42,593**
Total equity		**95,830**	**109,096**
Non-current liabilities	*24, 25*		
Liabilities to credit institutions		2,087	4,068
Other liabilities		3,766	18,220
Total non-current liabilities		**5,852**	**22,288**
Current liabilities	*25*		
Liabilities to credit institutions		1,945	2,204
Accounts payable		7,827	4,661
Other liabilities		574	732
Accrued expenses and deferred income	*27*	20,228	30,706
Total current liabilities		**30,574**	**38,811**
TOTAL EQUITY AND LIABILITIES		**132,257**	**170,195**

Change in equity

TSEK	SHARE CAPITAL	UNREGISTERED SHARE CAPITAL	FUND FOR DEVELOPMENT	SHARE PREMIUM RESERVE	PROFIT/LOSS CARRIED FORWARD	PROFIT/LOSS FOR THE YEAR	TOTAL
Equity 01/01/2022	**6,561**	**0**	**40,483**	**249,456**	**-109,208**	**-35,999**	**151,293**
Appropriation according to this year's AGM decision							
Appropriation according to AGM decision					-35,999	35,999	**0**
New share issue		1,294		15,905			**17,200**
Issue of warrants				314			**314**
Issue expenses				-1,140			**-1,140**
Capitalized development costs			24,311		-24,311		**0**
Depreciation on capitalised development costs			-6,145		6,145		**0**
Profit/loss for the period						-58,571	**-58,571**
Equity 31/12/2022	**6,561**	**1,294**	**58,649**	**264,536**	**-163,372**	**-58,571**	**109,096**
Appropriation according to this year's AGM decision							
Appropriation according to AGM decision					-58,571	58,571	**0**
New share issue	11,001	-1,294		65,293			**75,000**
Issue of warrants				387			**387**
Issue expenses				-12,255			**-12,255**
Capitalized development costs			29,830		-29,830		**0**
Depreciation and write-downs on captalised development costs			-54,196		54,196		**0**
Profit/loss for the period						-76,398	**-76,398**
Equity 31/12/2023	**17,562**	**0**	**34,283**	**317,961**	**-197,577**	**-76,398**	**95,830**

Cash flow statement

TSEK	NOTE	2023	2022
Current activities			
Operating income		-76,625	-57,982
Adjustments for items not included in cash flow	*28*	60,080	10,505
Interest received		588	11
Interest paid		-937	-665
Cash flow from operating activities before change in working capital		**-16,895**	**-48,130**
Change in working capital			
Change in inventories and work in progress		-1,424	-218
Change in accounts receivable - trade		-1,296	-902
Change in receivables		-1,112	-3,577
Change in accounts payable - trade		3,167	931
Change in other liabilities		-25,098	44,025
Cash flow from change in working capital		**-25,763**	**40,259**
Cash flow from current activities		**-42,658**	**-7,871**
Investing activities			
Investments in intangible fixed assets		-32,270	-27,654
Investments in tangible fixed assets		-1,979	-7,768
Investments in financial fixed assets		0	0
Cash flow from investment activities		**-34,248**	**-35,422**
Financing activities			
New share issue		75,387	17,515
Issue expenses		-12,255	-1,140
Borrowings		0	5,985
Amortisation of loans		-2,240	-3,544
Cash flow from financing activities		**60,892**	**18,814**
Cash-flow for the year		**-16,014**	**-24,478**
Cash and cash equivalents at start of year		81,182	105,660
Cash and cash equivalents at end of year		**65,168**	**81,182**

Note 1
Accounting and valuation principles

General information
The annual accounts were drawn up in accordance with the Swedish Annual Accounts Act and BFNAR [the General Guidelines of the Swedish Accounting Standards Board] 2012:1 Financial statements and consolidated financial statements (K3).

The accounting principles are unchanged compared to previous years.

Foreign currencies
Monetary receivables and liabilities in foreign currency are measured at the rate on the balance sheet date. Transactions in foreign currency are translated using the spot exchange rate on the transaction date.

Income recognition
Services
For services on fixed price or current account, income is recognised that is attributable to a service that has been performed as income in line with the work being carried out and material being supplied or consumed. Evaluation agreements regarding PharmaShell and different drug candidates are mainly based on fixed price for performance of specified services.

Other types of income
Compensation for fixed-term exclusivity to the PharmaShell technology is accrued on a straight-line basis over the estimated exclusivity period.

State aid is recognised at fair value when there is reasonable certainty that the aid will be received and the company will meet all associated conditions. The aid is booked in the period when the costs arise for which the state aid is intended to compensate. State aid for acquisition of intangible assets reduces the asset's reported value.

Government grants are recognized as revenue when the future service required to obtain the grant has been rendered. In cases where the grant is received before the service is rendered, the grant is recognized as a liability in the balance sheet. Government grants are measured at the fair value of what has been or will be received.

Fixed assets
Depreciation is calculated on a straight-line basis over the expected useful life, taking into account significant residual value. The following depreciation rates are applied:

Intangible fixed assets
Intangible fixed assets are recognised at acquisition value minus accumulated depreciation and impairment. The capitalisation model is applied to internally generated intangible assets. Depreciation is applied on a straight-line basis over the estimated useful life.

Capitalised expenditure for development work	10 years
Concessions, patents, licences, trademarks	5 years

Tangible fixed assets
Tangible fixed assets are recognised at acquisition value minus depreciation. The acquisition value includes expenses that can be directly attributable to the acquisition of the asset. When a component in a fixed asset is replaced, any remaining part of the old component is discarded and the new component's acquisition value is capitalized. Additional expenses that relate to assets which are not divided into components are added to the acquisition value if it is deemed to give the company future economic benefits, to the extent that the asset's performance increases in relation to the asset's value at the time of acquisition. Expenditures for running repairs and maintenance is recognised as a cost.

Capital gain and capital loss respectively on disposal of a fixed asset is recognised as Other operating income and Other operating expenses.

Tangible fixed assets are depreciated systematically over the asset's estimated useful life. When the depreciable amount of the assets is determined, it is taken into consideration, where appropriate, the residual value of the asset.

Equipment, tools, fixtures and fittings	5 years
Machinery and other technical installations	5 years

Improvements to leased property are depreciated over the term of the duration of the lease.

Impairment of non-financial assets
An impairment test is carried out when there is an indication that the value of an asset has decreased. If the asset has a recoverable amount below the carrying amount, it is written down to the recoverable amount. For assets, which had previously been written down, a test is conducted on each balance sheet date of whether a reversal should be made.

Financial instruments
Financial instruments are recognised in accordance with the rules in i K3 chapter 11, which means that valuation is made based on historical cost. Financial instruments recognised in the balance sheet include securities, other current and non-current receivables, cash at bank, accounts payable and borrowings. The instruments are recognised in the balance sheet when Nanexa AB becomes a party to the contractual terms for the instrument.

Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or has been transferred and the company has substantially transferred all risks and rewards associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or ceased in some other way.

Accounts receivable and other receivables
Receivables are recognised as current assets with the exception of items falling due more than 12 months after the balance sheet date, which are classified as fixed assets. Receivables are entered at the amount that is expected to be paid after deduction for individually assessed bad debts.

Borrowings and accounts payable
Borrowings and accounts payable are recognised initially at acquisition value after deduction for transaction costs. If the amount recognised differs from the amount to be repaid at maturity, the difference is accrued as interest expense over the life of the loan using the effective interest rate of the instrument. As a result, the amount recognized and the amount to be repaid at maturity are the same.

Offsetting of financial receivables and financial liabilities
A financial asset and a financial liability are offset and recognised at a net amount in the balance sheet only when a legal right to offset exists and when a settlement at a net amount is considered to take place or when a simultaneous sale of the asset and settlement of the liability is considered to take place.

Leases
All lease contracts where the company is lessee are reported as operational leasing (rental agreements), regardless of whether the contracts are financial or operational. Leasing charges are recognised as an expense on a straight-line basis over the leasing period.

Stock
Stock is valued at the lower of cost or net realisable value at the closing date.

Payments to employees
Payments to employees means all forms of payments that the company makes to the employees, and include salaries, paid holidays, paid absence, bonuses and pension contributions. Payments are recognised as an expense and a liability when there is a legal or constructive obligation to make a payment as a result of a past event and the amount can be reliably estimated.

Payments upon termination are made when the company decides to terminate an employment before the normal date of the employment's termination or when an employee accepts an offer of voluntary departure in exchange for such a payment. If the payment does not give the company any future economic benefit, a liability is entered and a cost when the company has a legal or informal obligation to provide such a payment. The payment is valued at the best estimate of the payment that would be required to settle the obligation on the balance sheet date.

Estimates and assessments
Nanexa AB makes estimates and assessments concerning the future. The estimates for accounting purposes that are the result of them, by definition, seldom correspond to the actual results. The estimates and assumptions that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year are addressed in outline below.

Capitalised expenditure for development work
The Company's largest asset amount constitutes the capitalised expenses for development work. These are valued at acquisition value and accrued expenses. In the estimates of the accrued expenses, the management make certain estimates and assessments of the cost of time accrued, which is to some extent a standard rate. The valuation of the capitalised expenditure for development work is thus dependent on these assessments and the value would be affected by a change to them, even though the assessment at the date of submitting the annual accounts is that these are reasonable.

Income taxes
Deferred tax receivables regarding loss carryforwards or other future tax deductions are recognised insofar as it is likely that the deduction can be made against a surplus for future taxation. As of 31-12-2023, the company has an estimated tax deficit of SEK 259,125 thousand, equivalent to a theoretical deferred tax asset of SEK 53,380 thousand. This asset has not been capitalised as there is uncertainty about future performance and it is thus deemed uncertain when it will be possible to utilise this deficit. Otherwise, the assessment is made that there are no estimates and assessment in the end of year accounts which entail a significant risk of material adjustments to the carrying amounts during the coming year.

Note 2
Distribution of net sales

	2023	2022
Net sales per business segment		
Services	29,327	2,860
	29,327	**2,860**
Net sales are broken down by geographic markets:		
Nordic countries	25,247	1,013
Europe (excluding the Nordic countries)	0	0
North America	4,010	1,847
Asia	70	0
	29,327	**2,860**

Note 3
Other operating income and other operating expenses

	2023	2022
Other operating income		
Exchange rate gaint	131	614
Other income	197	390
	328	**1,004**
Other operating expenses		
Exchange rate loss	-421	-294
	-421	**-294**

Note 4
Operational leases

Leasing costs for the year in respect of leases amount to SEK 7,706 thousand.

Future lease payments for non-cancellable leases fall due for payment as follows:

	2023	2022
Within one year	7,330	7,119
In more than one year but within five years	20,878	26,069
	28,208	**33,188**

Operational leasing refers to rented premises and equipment. The leases for offices runs for three years at a time with a mutual period of notice of 3 months. The leases for rented laboratories runs for five years for the initial lease period with a period of notice of 9 months. The contract is subsequently extended by 3 years at a time. Offices and labs leased during 2019 run until further notice, with a notice period of 1 month. There is a supplement to the lease for rented premises for tenant adaptation which runs for eight years.

Note 5
Remuneration to the auditors

Auditing work refers to review of the annual accounts and accounting records and the management by the board of directors, other work incumbent on the company's auditors and advice or other assistance deriving from observation during that review or performance of that other work.

	2023	2022
Öhrlings PricewaterhouseCoopers AB		
Audit assignments	520	380
Audit work in addition to the audit assignment	0	0
Tax consultancy	0	0
Other services	224	98
	744	**478**

Note 6
Related party transactions

During the period January-December 2023, the company has purchased consultancy services from the board member Bengt Gustavsson through Sangus Jazz AB for SEK 1,163 (2,334) thousand. Bengt Gustavsson resigned from the Board in connection with the 2023 Annual General Meeting. The consultancy services are clearly separated from the assignments as a board member of the company, and the fees for the purchased services are considered to be market-based. See also note 8 for information about remuneration and pension obligations to board members and the CEO.

Note 7
Salaries, other remuneration and social insurance expenses

	2023	2022
Average number of employees		
Women	8	5
Men	12	12
	20	**17**
Salaries, remuneration, social insurance expenses and pension costs		
Board of Directors and CEO	3,447	4,585
Other employees	13,343	12,403
	16,790	**16,989**
Social insurance expenses		
Pension expenses for the board of directors and CEO	509	682
Pension expenses for other employees	1,841	1,574
Other social insurance contributions in accordance with law and agreements	3,072	2,786
	5,422	**5,042**
Total salaries, remuneration, social insurance expenses and pension expenses	**22,212**	**22,032**
Gender distribution among senior executives		
Percentage of women on the board	33,%	29,%
Percentage of men on the board	67,%	71,%
Percentage of men among CEO and senior executives	20,%	18,%
Andel män bland övriga ledande befattningshavare	80,%	82,%

Note 8
Remuneration to senior executives

	BASIC SALARY/ DIRECTOR'S REMUNERATION		PENSION EXPENSES		OTHER REMUNERATION		TOTAL REMUNERATION	
REMUNERATION AND SALARIES	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Chairman Göran Ando	260	260				0	260	260
Board member Richard Davis[1]	130	73					130	73
Board member Bengt Gustavsson[2]	58	130			1,163	2,334	1,220	2,464
Board member Jakob Dynnes Hansen[3]	65						65	
Board member Eva Nilsgård	230	230				10	230	240
Board member Urban Paulsson[2]	58	130					58	130
Board member Otto Skolling[4]		57				810		867
Board member Birgit Stattin Norinder	180	218					180	218
Board member Magnus Westgren	130	130					130	130
Board member Mårten Rooth[4, 5]		619		173				792
CEO David Westberg	2,233	2,090	509	509	105	548	2,846	3,147
Other senior executives	5,520	4,552	1,387	1,258	5,172	5,278	12,079	11,088
Total	**8,864**	**8,489**	**1,896**	**1,940**	**6,440**	**8,980**	**17,200**	**19,409**

1) Eleceted to the board of directors at the 2022 AGM.
2) Resigend from the board of directors at the 2023 AGM.
3) Eleceted to the board of directors at the 2023 AGM.
4) Resigend from the board of directors at the 2022 AGM.
5) Mårten Rooth is an employee of the company and does not receive board fees.

Remuneration to the board of directors
The chairman of the board of directors and board members receive a fee as decided at the annual general meeting. During 2023, the board fees have been paid as salary and reported on the company's employer declarations.

Remuneration to chief executive officer
The pension provision is made with an amount equivalent to 20 percent of the gross monthly salary. The pension expense includes salary changes that are additional to the 20 percent. In the event of termination by the company, a period of notice of six months applies for the CEO, with entitlement to special severance pay equivalent to six months salary.

Other remuneration
Other remuneration to board members refers to consultancy fees and expenses. Other remuneration to other senior executives refers to variable remuneration and expenses for employees and consultancy fees for consultants.

Variable remuneration
Variable remuneration means a bonus calculated as a proportion of basic salary. The outcome is based on an earning period of one year and is dependent on pre-established company targets. The maximum outcome for the CEO and other employed senior executives amounts to a maximum of 30 percent of the basic salary and for other employees to a maximum of 20 percent of the basic salary.

Share-based incentive schemes
The purpose of share-based incentive programs is to promote the company's long-term value creation by motivating the company's senior executives, founders and other employees in line with the interests of the shareholders. At the end of the period, Nanexa had the following active warrant programs:

→ TO5 (2021/2024)
In connection with the 2021 AGM, a share-based incentive program was introduced in the form of warrants of series 2021/2024:1 (TO5) for management and staff. TO5 has a term of about 3 years and can be used to subscribe for shares during the period June 15 - July 31, 2024. The number of outstanding TO5 warrants is 380,000, corresponding to a dilution of 0.28 percent calculated on the number of outstanding shares as of the date of this annual report.

→ TO6 (2022/2025)
In connection with the 2022 AGM, a share-based incentive program was introduced in the form of warrants of series 2022/2025 (TO6) for management and staff. TO6 has a term of about 3 years and can be used to subscribe for shares during the period June 15 - July 31, 2025. The number of outstanding TO6 warrants is 983,000, corresponding to a dilution of 0.72 percent calculated on the number of outstanding shares as of the date of this annual report.

→ TO7 (2023/2026)
In connection with the 2023 AGM, a share-based incentive program was introduced in the form of warrants of series 2023/2026 (TO7) for management and staff. TO7 has a term of about 3 years and can be used to subscribe for shares during the period July 1 - August 31, 2026. The number of outstanding TO7 warrants is 1,345,000, of which the number of subscribed warrants amounts to 425,000, corresponding to a dilution of 0.31 percent calculated on the number of outstanding shares as of the date of this annual report.

Note 9
Tax on profit/loss for the year

	2023	2022
Deferred tax		
Opening deferred tax asset	95	31
Change in deferred tax relating to temporary differences	112	64
Closing deferred tax asset	**207**	**95**

	2023		2022	
RECONCILIATION OF TAX	**PER CENT**	**AMOUNT**	**PER CENT**	**AMOUNT**
Reported profit/loss before tax		-76,510		-58,635
Tax at current tax rates	20.60	15,761	20.60	12,079
Tax effect of non-deductible expenses		-23		-18
Non-taxable income		5		0
Tax adjustment depreciation		-112		-64
Costs to be deducted but not included in the reported result		2,524		235
Tax deficit for which no deferred tax asset is reported		-18,043		-12,168
Reported effective tax	**0.15**	**112**	**0.11**	**64**

The company reports a loss for income tax purposes, so the company does not currently pay income tax. Accumulated loss carryforwards amount to SEK 259,125 (171,002) thousand and have no time limit. No deferred tax assets attributable to the loss carryforwards have been recognized during the period.

Note 10
Capitalized expenses for development and similar work

	31/12/2023	31/12/2022
Opening acquisition values	80,036	55,725
Acquisitions	29,830	24,311
Closing accumulated acquisition values	**109,866**	**80,036**
Opening depreciation	-20,948	-14,555
Depreciation for the year	-9,072	-6,393
Closing accumulated depreciation	**-30,020**	**-20,948**
Opening write-downs	0	0
Write-downs for the year	-45,563	0
Closing accumulated write-downs	**-45,563**	**0**
Closing carrying amount	**34,282**	**59,088**

Note 11
Patents

	31/12/2023	31/12/2022
Opening acquisition values	12,373	9,030
Acquisitions	2,440	3,343
Closing accumulated acquisition values	**14,813**	**12,373**
Opening depreciation	-6,213	-4,492
Depreciation for the year	-2,406	-1,721
Closing accumulated depreciation	**-8,619**	**-6,213**
Closing carrying amount	**6,194**	**6,160**

Note 12
Improvement toleased property

	31/12/2023	31/12/2022
Opening acquisition values	6,061	274
Reclassifications	0	5,787
Closing accumulated acquisition values	**6,061**	**6,061**
	,	
Opening depreciation	-667	-199
Depreciation for the year	-847	-468
Closing accumulated depreciation	**-1,514**	**-667**
Closing carrying amount	**4,547**	**5,394**

Note 13
Machinery and other technical installations

	31/12/2023	31/12/2022
Opening acquisition values	7,802	0
Acquisitions	117	7,802
Closing accumulated acquisition values	**7,919**	**9,064**
Opening depreciation	-600	0
Depreciation for the year	-820	-600
Closing accumulated depreciation	**-1,420**	**-1,862**
Closing carrying amount	**6,499**	**7,202**

Note 14
Equipment and tools

	31/12/2023	31/12/2022
Opening acquisition values	10,810	9,751
Acquisitions	1,861	1,059
Closing accumulated acquisition values	**12,671**	**10,810**
Opening depreciation	-8,313	-6,992
Depreciation for the year	-1,159	-1,321
Closing accumulated depreciation	**-9,472**	**-8,313**
Closing carrying amount	**3,199**	**2,497**

Note 15
Construction in progress and advances regarding tangible assets

	31/12/2023	31/12/2022
Opening acquisition values	33	6,915
Acquisitions	0	4,113
Reclassifications	0	-5,787
Advances on equipment and tools	0	-,5,209
Closing accumulated acquisition values	**33**	**33**
Closing carrying amount	**33**	**33**

Note 16
Other securities held as non-current assets

	31/12/2023	31/12/2022
Opening acquisition values	1	1
Acquisitions	0	0
Closing accumulated acquisition values	**1**	**1**
Closing carrying amount	**1**	**1**

Note 17
Deferred tax on temporary differences

31/12/2023

TEMPORARY DIFFERENCES	DEFERRED TAX ASSETS	NET
Depreciation on improvements to leased property	207	207
	207	**207**

31/12/2022

TEMPORARY DIFFERENCES	DEFERRED TAX ASSETS	NET
Depreciation on improvements to leased property	95	95
	95	**95**

CHANGE IN DEFERRED TAX	AMOUNT AT BEGINING OF YEAR	REPORTED IN INCOME STATEMENT	AMOUNT AT END OF YEAR
Depreciation on improvements to leased property	95	112	207
	95	**112**	**207**

Note 18
Other non-current receivables

	31/12/2023	31/12/2022
Opening acquisition values	1	31
Outgoing claims	-1	-30
Closing accumulated acquisition values	**0**	**1**
Closing carrying amount	**0**	**1**

Note 19
Other current receivables

	31/12/2023	31/12/2022
Tax asset relating to current tax	0	0
Other items	3,769	4,288
	3,769	**4,288**

Note 20
Prepaid expenses and accrued incom

	31/12/2023	31/12/2022
Prepaid rental expenses	1,896	430
Prepaid lease expenses	130	41
Prepaid insurance premiums	61	51
Other prepaid expenses	519	528
Accrued income	1,362	423
	3,968	**1,473**

Note 21
Cash and cash equivalents

	31/12/2023	31/12/2022
Cash and cash equivalent		
Cash funds	15,168	81,182
Bank balances	50,000	0
	65,168	**81,182**

Note 22
Number of shares and quota value

The share capital consists of 135,695,626 (50 695 626) shares with a quota value of SEK 0.13 (0.13).

Note 23
Appropriation of profits or loss

	2023-12-31
Proposal for the appropriation of profits	
The Board of Directors proposes that the available profits be appropriated:	
free share premium reserve	317,961
retained earnings	-197,577
loss for the year	-76,398
	43,987
be appropriated so that	
carried forward to new accounts	43,987
	43,987

Note 24
Long-term liabilities

As of 31 December 2023, the company had no non-current liabilities that fall due more than five years after the closing date.

Note 25
Liabilities recognised in multiple items

The company's bank loans of SEK 4,031 thousand are recognised in the following balance sheet items.

The company's accrued revenues of SEK 18,828 thousand relating to the exclusivity agreement with Novo Nordisk A/S are recognized under the following items in the balance sheet.

	31/12/2023	31/12/2022
Non-current liabilities		
Liabilities which fall due for payment in one–five years after the closing date	2,087	4,068
Income regarding Novo Nordisk A/S in one-five years from balance sheet date	3,765	18,220
	5,852	**22,288**

	31/12/2023	31/12/2022
Current liabilities		
Liabilities which fall due for payment within one year after the closing date	1,945	2,204
Income regarding Novo Nordisk A/S within one year from balance sheet date	15,062	22,553
	17,007	**24,757**

Note 26
Overdraft facility

	31/12/2023	31/12/2022
The amount of the bank overdraft facility granted amounts to	0	300
Utilised credit amounts to	0	0

Note 27
Accrued expenses and prepaid income

	31/12/2023	31/12/2022
Accrued salaries	876	2,924
Accrued holiday pay	2,085	1,546
Accrued social insurance expenses	790	1,033
Accrued audit and closing expenses	260	230
Accrued expenses – invoices not received	1,155	2,420
Prepaid income	15,062	22,553
	20,228	**30,706**

Note 28
Adjustment for items not included in the cash flow

	31/12/2023	31/12/2022
Depreciation	14,305	10,504
Write-downs intangible fixed assets	45,563	0
Accrued interest income	212	0
	60,080	**10,504**

Note 29
Pledged assets

	31/12/2023	31/12/2022
For the company's own account		
Corporate mortgage	7,015	7,015
Assets with retention of title	5,941	6,686
	12,956	**13,701**

Note 30
Contingent liabilities

In the opinion of the Board of Directors, the company has no contingent liabilities.

Note 31
Significant events after the end of the financial year

→ Inga väsentliga händelser efter räkanskapsårets slut.

Signatures

Uppsala 27/03/2024

Göran Ando
Chairman

Richard Davis

Jakob Dynnes Hansen

Eva Nilsagård

Birgit Stattin Norinder

Magnus Westgren

David Westberg
Chief Executive Officer

Our auditor report was submitted on 27/03/2024

Niclas Bergenmo
Chartered accountant
Principal auditor

Auditor's report

To the general meeting of the shareholders of Nanexa AB, corporate identity number 556833-0285

Report on the annual accounts

Opinions
We have audited the annual accounts of Nanexa AB for the year 2023. The annual accounts of the company are included on pages 36-52 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 Nanexa AB as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

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

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 Nanexa AB 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.

Other Information than the annual accounts
This document also contains other information than the annual accounts and is found on pages 1-29 and 49-58. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

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

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

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

A further description of our responsibility for the audit of the annual accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nanexa AB for the year 2023 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions
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 Nanexa AB 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 type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

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

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Uppsala on the date indicated by our electronic signature
Öhrlings PricewaterhouseCoopers AB

Niclas Bergenmo
Authorized Public Accountant

Corporate Governance

Nanexa AB is a Swedish public limited company, whose shares have been traded on Nasdaq First North Growth Market since 29 May 2020, and prior to that on Spotlight Stockmarket, Stockholm, since 2015. Since the listing on Spotlight, the company's corporate governance has been based mainly on Swedish legislation, the company's articles of association, internal rules and regulations, good stock market practices, and where it is deemed relevant for the company, the Swedish code of corporate governance (the "Code"). Nanexa is not required to comply with the Code as Nasdaq First North is not a regulated market.

Corporate governance within Nanexa

The purpose of corporate governance within Nanexa is to create a clear division of roles and responsibilities between owners, the board and the company management. Governance, management and control of Nanexa is divided between the shareholders' meeting, the board and the CEO.

Shares and shareholders

Nanexa's share is listed on the Nasdaq First North Growth Market. As of 31 December 2023, Nanexa had 3,298 shareholders and the share capital amounted to SEK 17,561,912, distributed over a total of 135,695,626 shares. The quotient value of the shares thus amounted to approximately SEK 0.1294. All shares are ordinary shares and are equally entitled to the company's profits, and each share entitles to one vote at the AGM. At the annual general meeting, each voting member may vote for the full number of shares owned or represented, without restriction in the number of votes.

Shareholders' meeting

In accordance with the Companies Act, the shareholders' meeting is the company's highest decision-making body. The shareholders exercise their voting rights at the shareholders' meeting. The Annual General Meeting (AGM) must be held within six months from the end of each financial year. In addition to the AGM, an extraordinary shareholders' meeting can be convened. The company's shareholders' meetings are held in Uppsala, where the company has its registered office.

Notice of the annual general meeting and notice of an extraordinary general meeting, where questions about amendments to the Articles of Association are dealt with, must be issued not earlier than six weeks and not later than four weeks prior to the meeting. Notice of other extraordinary general meetings must be issued not earlier than six weeks and not later than two weeks prior to the general meeting. Notice of a general meeting shall be announced in the Swedish Official Gazette and on the company's website. It shall be advertised in Dagens Industri that notice has been issued.

Shareholders who wish to attend the shareholders' meetings must be included in such a transcript or other presentation of the entire share register as referred to in Chapter 7, section 28(3) of the Swedish Companies Act (2005:511), regarding the circumstances five working days before the meeting, and must also confirm their participation to the company no later than the time and date specified in the notice of the meeting. This latter day may not be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and shall not occur earlier than on the fifth weekday before the general meeting.

Shareholders may bring one or two assistants to the shareholders' meeting, on condition that the shareholder has notified this in accordance with the previous paragraph.

Annual General Meeting 2023

Nanexa's 2023 Annual General Meeting was held on 9 June 2023. In addition to the usual AGM issues, the AGM made the following decisions;

- to re-elect Göran Ando, Richard Davis, Eva Nilsagård, Birgit Stattin Norinder and Magnus Westgren and to newly elect Jakob Dynnes Hansen as board members. Göran Ando was re-elected as chairman of the board.
- that board remuneration shall be paid with SEK 260,000 for the chairman and with SEK 130,000 to each other board member not employed by the company, and that a fee of SEK 100,000 shall be paid to the chair of the audit committee and a fee of SEK 50,000 to other members of the audit committee. It was further decided that the auditor's fees should be paid in accordance with approved invoices.
- to appoint as auditors Öhrlings PricewaterhouseCoopers AB, who have announced that Niclas Bergenmo will continue as principal auditor.
- to establish a nomination committee ahead of the Annual General Meeting 2024 and also to set an instruction for the nomination committee pursuant to the proposal adopted in the notice of the General Meeting.
- to amend the wording of the provisions of the Articles of Association concerning the limits of the company's share capital, the number of shares and the right to participate in the General Meeting.
- to adopt the board's proposal on authorizations for the board to decide on rights issue and directed share issue.
- to establish a warrant-based incentive scheme that includes all employees in the company, as proposed by the board of directors. A total of 425,000 warrants of series TO 7 were subscribed after the meeting, corresponding to a maximum dilution of 0.31 percent calculated on the number of outstanding shares as of the date for this annual report.

Annual General Meeting 2024

The AGM will take place on Wednesday 15 May 2024 in Uppsala. Notice will take place through a press release and an announcement in the Swedish Official Gazette as well as through publication on Nanexa's website. It will also be advertised in Dagens Industri that notice has been issued.

Nomination committee

Nanexa's 2023 AGM decided, in accordance with the proposal, to establish a nomination committee to be appointed according to instruction for the 2024 AGM. The nomination committee ahead of the 2024 AGM has comprised

- Marlon Värnik, appointed by Exelity AB
- Christian Östberg, appointed by Gerhard Dal
- Göran Ando, chairman of the board of directors, co-opted.

Christian Östberg was appointed chairman of the nomination committee.

Board of Directors

The board members are normally elected by the AGM for the period until the end of the next AGM. According to company's articles of association, the board shall consist of 3–10 members with no more than five deputies. Six board members were elected at the 2023 AGM. The chairman is elected by the AGM and has special responsibility for the management of the board's work and for ensuring that the board's work is well organized and implemented in an effective manner.

According to the Code, a majority of the board members elected by the shareholders' meeting shall be independent in relation to the company and the company management. All board members are considered to be independent in relation to the company and its management, and all members are regarded as independent in relation to the company's major shareholders. Nanexa thereby meets the Code's requirement for independence.

At the end of the financial year, Nanexa's board consisted of six members: chairman Göran Ando and the ordinary members Richard Davis, Jacob Dynnes Hansen, Eva Nilsagård, Birgit Stattin Norinder and Magnus Westgren.

The board's responsibility and work

The board is the company's highest decision-making body after the AGM. According to the Companies Act, the board is responsible for the company's management and organization, which means that the board is responsible for, among other things, setting goals and strategies, ensuring procedures and systems for evaluating established goals, continuously assessing the company's results and financial position, and evaluating the operational management. The board is also responsible for ensuring that the annual accounts and interim reports are prepared in a timely manner. The board also appoints the company's CEO.

The board follows written rules of procedure that are reviewed annually and is laid down at the inaugural board meeting each year. The rules of procedure regulate, among other things, the board's practice, functions and the distribution of work between the members of the board and the CEO. In conjunction with the inaugural board meeting, the board also determines the instructions for the CEO. The board meets in accordance with a schedule determined annually. In addition to these board meetings, additional board meetings can be convened to deal with issues that cannot be dealt with at an ordinary board meeting. In addition to the board meetings, the chairman and the CEO have an ongoing dialogue regarding the management of the company.

		ATTENDANCE		INDEPENDENCE	
BOARD OF DIRECTORS	ELECTED	BOARD MEETINGS	AUDIT COMMITTEE	IN RELATION TO THE COMPANY	IN RELATION TO MAJOR SHAREHOLDERS
Göran Ando[1]	2020	18 (18)	3 (3)	Yes	Yes
Richard Davis	2022	16 (18)		Yes	Yes
Jakob Dynnes Hansen[2]	2023	12 (12)	4 (4)	Yes	Yes
Bengt Gustavsson[3]	2017	4 (6)		No	Yes
Eva Nilsagård	2021	18 (18)	7 (7)	Yes	Yes
Urban Paulsson[3]	2019	2 (6)		Yes	Yes
Birgit Stattin Norinder	2021	18 (18)	6 (7)	Yes	Yes
Magnus Westgren	2015	17 (18)		Yes	Yes

1) Resigned from the Audit committee at the inaugural board meeting 2023.
2) Elected to the board of directors by the 2023 AGM, elected to Audit committee at the inaugural board meeting 2023.
3) Resigned from the board of directors at the 2023 AGM.

The work of the board in 2023

The board held eighteen minuted meetings in 2023, 8 of which were ordinary board meetings and ten were extra board meetings with one or more specific decision items, where six were held per capsulam. All meetings during the year that were not held per capsulam have followed an approved agenda, which was provided to the members prior to the board meetings. The CEO and CFO participate in the majority of the board meetings. A review of the current business situation, the company's earnings and financial position and prospects for the remainder of the year are reviewed at each ordinary board meeting. The work of the Board during the year has largely focused on:

- → Development of the project portfolio
- → Collaborative agreements with Novo Nordisk, other partners and Applied Materials
- → Strategy and business analysis
- → Financial development and raising of capital
- → Interim reports, year-end report and annual report
- → Proposal for the introduction of incentive schemes for management and other employees

The remuneration to Nanexa's board members is decided by the AGM. The AGM of 9 June 2023 decided that board fees shall be paid with SEK 260,000 for the chairman, with SEK 230,000 to the chairman of the audit committee, with SEK 180,000 to other members of the audit committee, and with and SEK 130,000 to each of the other board members who are not employed by the company.

Audit committee

The audit committee has during the year consisted of Eva Nilsagård (chair), Göran Ando (until the inaugural board meeting 2023), Jakob Dynnes Hansen (from the inaugural board meeting 2023) and Birgit Stattin Norinder. The audit committee assists the board in monitoring the company's accounts and financial reporting processes, which, without affecting the board of directors' responsibilities and duties in general, shall include monitoring the company's financial reporting, monitoring the efficacy of the company's internal controls and risk management, staying informed of the auditing of the annual report, reviewing and monitoring the audit's impartiality and independence and thus specifically observing whether the auditor provides the company with services other than auditing services, as well as contributing to the nomination committee in

preparation of proposals for the General Meeting's decision on choice of auditor.

The board of directors appoints the members of the committee each year at the inaugural board meeting or when a committee member has to be replaced. At the same meeting, the board of directors also establishes an instruction for the committee's work. The audit committee keeps minutes of its meetings that are made available for the board of directors.

The audit committee has held seven meetings during 2023 in connection with interim reports and ordinary board meetings.

CEO and other senior executives

The CEO is subordinate to the board and is responsible for the company's day-to-day management and day-to-day operations. The division of duties between the board and the CEO is specified in the rules of procedure for the board and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from the management prior to the board meetings and presenting the material at the board meetings. According to the instructions for financial reporting, the CEO is responsible for financial reporting in the company and must therefore ensure that the board receives sufficient information to enable the board to continuously evaluate the company's financial position.

The CEO shall keep the board continuously informed about the development of the company's operations, the development of the turnover, the company's earnings and financial position, liquidity and credit situation, important business events and any other event, situation or circumstance that can be assumed to be of material importance to the company's shareholders.

Nanexa's management team currently consists of eleven people and, besides the CEO, comprises the company's Chief Financial Officer, Head of R&D Atomic Layer Deposition, Head of R&D Pharma, Head of Intellectual Property, Senior Project Leader, Head of Quality Assurance (consultant), Medical Director (consultant), Head of Regulatory affairs (consultant), Head of Strategic market analysis (consultant) and Head of Business Development (consultant). The CEO and other senior executives are presented in more detail elsewhere in the annual report and on the company's website.

Remuneration to senior executives

The board decides on the CEO's remuneration. Terms and conditions for senior executives must be based on market conditions and consist of a balanced mix of fixed salary, variable remuneration, pension benefits and terms of termination. Salaries and other remuneration for the 2023 financial year were paid to the CEO and other senior executives, as stated in Note 8.

External audit

The auditor shall review the company's annual report and the accounts, as well as the administration of the board and the CEO. After each financial year, the auditor shall submit an audit report to the AGM. According to the company's articles of association, the company shall have one or two auditors with or without deputy auditors. The company's auditor is Öhrlings PricewaterhouseCoopers AB, with Niclas Bergenmo as principal auditor.

In 2023, the total fee paid to the company's auditor amounted to SEK 744,000.

Internal control

According to the Swedish Companies Act and the Annual Accounts Act, the board is responsible for internal control. The purpose of the internal control is to achieve effective and efficient operations, to ensure reliable financial reporting and information about the business and to comply with applicable laws, regulations, policies and guidelines.

Internal control of financial reporting

The company has designed procedures and activities to follow up the financial reporting and to ensure that any errors are detected and rectified. These activities include follow-up and comparison of earnings performance or items, account reconciliations and balance sheet specifications, as well as approval of bank transactions and collaboration agreements, proxy and attestation instructions, and accounting and valuation principles. The company's CFO is responsible for analysing and following up the company's financial reporting and results. Authorizations to financial systems are limited according to authorizations, responsibilities and roles.

Information and communication

The company also has internal control functions for information and communication that are intended to ensure that correct financial and other company information is communicated to employees and other stakeholders. An Information Policy has been established in this connection.

The company's internal instructions and policies are available to all employees and provide detailed information on current procedures in all parts of the company and describe the control functions and how they are implemented.

Monitoring

The CEO ensures that the board receives regular reports on the development of the company's operations, including the development of the company's earnings and financial position and information about important events, such as research and development results and important agreements and contracts. The CEO reports on these issues to the board. The board considers all interim reports and annual reports before they are published.

Board of Directors

According to Nanexa's articles of association, the board shall consist of 3–10 members with no more than five deputies. Nanexa's board currently consists of six board members. The Company's registered office is situated in the municipality of Uppsala.

The board members are elected for the period until the end of the 2024 AGM.

Göran Ando [1]

Chairman of the board since 2020

Born: 1949

Education: BSc Uppsala University, Medical degree Linköping University.

Experience: Göran Ando has over 30 years' experience in the pharmaceutical industry. He began his career in 1978 as Medical Director of Pfizer AB and continued as head of clinical research with Pfizer International in the USA. Dr. Ando then became VP, Medical and Scientific Affairs at Bristol-Myers and also returned to Sweden as President of the Astra Research Center. Between 1989 and 1995, he held a number of senior positions at Glaxo, including head of research and development for Glaxo Group Research. Dr. Ando joined Pharmacia AB in 1995 as Executive Vice President and Deputy CEO and moved to the United States in 1997 to lead research and development with additional responsibilities for manufacturing, information technology, business development and mergers and acquisitions. During his eight-year tenure as head of research and development at Pharmacia / Pharmacia & Upjohn, 17 new drugs were approved by the FDA, prior to Pfizer's acquisition of Pharmacia.

Dr. Ando was then named CEO of Celltech Group PLC in the UK, one of the most successful European biotechnology companies, until it was acquired by UCB Pharma in 2005.

Göran Ando was elected in 2005 as a board member of Novo Nordisk A / S, where he became Vice Chairman in 2006 and Chairman between 2013 and 2018.

Other positions: Göran Ando är styrelseordförande för Eyepoint Pharmaceuticals (USA), och Nouscom AG (Schweiz).

Holdings in Nanexa: 1,040,000 shares.


1.

Richard Davis [2]

Board member since 2022

Born: 1973

Education: Doctor of Philosophy (PhD) in Pharmacology and Bachelor of Science in Biochemical Pharmacology from University of Leicester, UK .

Experience: Richard has many years of experience as an investor and executive in pharmaceutical development companies. Richards previous experience was gained from positions such as Global Oncology Transaction Lead at Johnson and Johnson, CEO of European clinical stage biotechnology company Trino Therapeutics and Investment Manager responsible for direct healthcare investments and venture capital funds at Wellcome Trust. Richard has been on the board of a number of biotech companies and worked closely with management teams on strategy, financing and exits via licensing, M&A and public listings.

Other positions: Chief Business and Operating Officer at Nouscom AG (Switzerland).

Holdings in Nanexa: 0


2.

Jakob Dynnes Hansen [3]

Board member since 2023

Born: 1955

Education: MSc in Economics from University of Copenhagen and an MBA from INSEAD

Experience: Jakob Dynnes Hansen has 30 years of combined experience from biotech and financing. Jakob's previous experience includes CFO for more than 9 years at Evolva, a Swiss public biotech company, with a key role in the company's listing and several subsequent financings, and CFO at Danish biotech companies Nuevolution and Zealand Pharma. Before moving into biotech, Jakob was a senior member of the Corporate Finance Team at Unibank (now Nordea) and he has been Head of Market Research at Novo Nordisk.

Other positions: CFO at Zerion Pharma A/S (Denmark) and CFO at Asarina Pharma AB.

Holdings in Nanexa: 250,000 shares.


3.

Eva Nilsagård [4]

Board member since 2021

Born: 1964

Education: BSc in Business Administration and Executive MBA from the School of Business, Economics and Law at the University of Gothenburg.

Experience: Eva Nilsagård has over 30 years' experience in senior positions, primarily in the automotive and medtech/biotech industries, such as CFO for Vitrolife, Plastal Industri and OptiGroup, Senior VP Strategy & Business development at Volvo Group Sales & Marketing EMEA, and senior positions in AstraZeneca and AB Volvo. She is Founder and CEO of Nilsagård Consulting AB, where in recent years she has held several interim positions as CEO and CFO. Professional Board career with involvement in listed, private and state-owned companies where she, among other things, contributed expertise in audit committee work and corporate governance and was involved in several IPOs. For the past ten years, Eva has acted as a mentor to several young female leaders.

Other positions: Board member of Addlife AB, Bufab AB (publ), Hansa Biopharma AB, Nimbus Group AB, Xbrane Biopharma AB and AB Svensk Exportkredit, Chairman of the Board of Spermosens AB and President and Board member of Nilsagård Consulting AB.

Holdings in Nanexa: 180,000 shares, via companies.

4.

Birgit Stattin Norinder [5]

Board member since 2021

Born: 1948

Education: BSc in Pharmacy, MSc of Pharmacy (MPharm), Uppsala University.

Experience: Birgit Stattin Norinder has extensive experience from pharma and biotech companies in Sweden, the USA and the United Kingdom. She has led several Research and Development departments and has been behind a number of new and approved drugs. Birgit has been CEO and Chairman of Prolifix Ltd, Senior Vice President Worldwide Development at Pharmacia & Upjohn and Director International Regulatory Affairs at Glaxo Group Research Ltd. Birgit has also held a number of positions as a Board member and Chairman of European biotechnology companies.

Other positions: Board member of AddLife AB.

Holdings in Nanexa: 60,000 shares.

5.

Magnus Westgren [6]

Board member since 2015

Born: 1950

Education: BSc in Medicine and Doctor of Medicine (MD) at Lund University. Associate professor at Karolinska Institutet.

Experience: Magnus Westgren has previously been Head of Obstetrics at Karolinska University Hospital and has been a professor at Karolinska Institutet since 2006. Postdoctoral work 1984–1985 at the Department of Obstetrics and Gynecology at Women's Hospital University of Southern California. Magnus has also been a scientific consultant and advisor to the National Board of Health and Welfare, supervisor for 30 doctoral students and has published more than 300 scientific papers. He is a Fellow of the Royal College of Obstetricians and Gynecologists.

Other positions: Board member of i BoostPharma ApS and Westknow AB and Senior Professor at Karolinska Institutet.

Holdings in Nanexa: 253,464 shares. Related party holdings: 700 shares.

6.

Management

David Westberg [1]

CEO since 2015

Born: 1960

Education: MSc in Chemistry, KTH Royal Institute of Technology Stockholm.

Experience: David Westberg has many years of experience in the pharmaceutical industry, including roles at Pharmacia, Pharmacia-UpJohn and Orexo. He has worked as a global project manager for development projects and was Head of Product Development (Pharmaceutical and Analytical Development) at Pharmacia amongst many other roles. David was also the main project manager who was responsible for taking two major Orexo products (Edluar and Zubsolv) from the early development phase through formulation development and clinical studies and onto registration and market approval with the FDA in the US.

Other positions: Board member of Lipigon AB.

Holdings in Nanexa: 371,178 shares, 100,000 teckningsoptioner av serie TO 5 (2021/2024:1), 150,000 teckningsoptioner av serie TO 6 (2022/2025) och 165,000 teckningsoptioner av serie TO 7 (2023/2026).

Björn Svanström [2]

CFO since 2019, employed since 2020

Born: 1971

Education: MBA, Stockholm School of Economics.

Experience: Björn Svanström has extensive experience in economics, finance and the capital market, from roles in Corporate Finance at SEB Enskilda, Group Controller at Teleca AB, CEO of Praktikertjänst's investment company Praktikerinvest and in recent years as CFO in development housing.

Other positions: CEO and Board member of Novandi Strategy AB.

Holdings in Nanexa: 150,000 shares, 50,000 warrants of series TO 5 (2021/2024:1), 125,000 warrants of series TO 6 (2022/2025) and 110,000 warrants of series TO 7 (2023/2026).

Mårten Rooth [3]

CTO and Head of R&D Atomic Layer Deposition, co-founder and employed since 2008

Born: 1977

Education: PhD in Materials Chemistry, Uppsala University.

Experience: Mårten Rooth is a co-founder of Nanexa. He has extensive experience in Atomic Layer Deposition (ALD), with several published scientific articles in the field.

Other positions: Deputy Board Member of Velotek Sweden AB.

Holdings in Nanexa: 442,000 shares, 50,000 warrants of series TO 5 (2021/2024:1), 125,000 warrants of series TO 6 (2022/2025) and 30,000 warrants of series TO 7 (2023/2026).

Joel Hellrup [4]

Head of pharmaceutical R&D, employed since 2016

Born: 1983

Education: Pharmacist degree and PhD in pharmaceutical science at Uppsala University.

Experience: Joel Hellrup received his PhD in pharmaceutical science in 2016 from Uppsala University and started as a formulator at Nanexa in the same year. Joel has had a key role in the development of PharmaShell® and has several scientific articles published within the field.

Other positions: None.

Holdings in Nanexa: 7,000 shares, 20,000 warrants of series TO 5 (2021/2024:1) and 125,000 warrants of series TO 6 (2022/2025) and 10,000 warrants of series TO 7 (2023/2026).

Kristine Bäck [5]

Senior project leader, employed since 2022

Born: 1978

Education: Bachelor of Pharmaceutical Science) at Södertörn/ UppsalaUniversity.

Experience: Kristine Bäck has more than 20 years' experience within the pharmaceuticals industry and development projects with formulation development, preclinical and clinical studies. Kristine has long experience from roles as global project manager for clinical programmes with studies from Phase 1 to market registration and has worked at AstraZeneca, Sobi and Oncopeptides, among other companies.

Other positions: none.

Holdings in Nanexa: 45,000 shares, 125,000 warrants of series TO 6 (2022/2025) and 60,000 warrants of series TO 7 (2023/2026).

Anders Johansson [6]

Head of Intellectual Property, Co-founder and employed since 2009

Born: 1976

Education: MSc and PhD in Chemistry, Uppsala University

Experience: Anders Johansson is a co-founder of Nanexa. He has previous experience of working as a patent consultant at the patent office Bjerkéns KB

Other positions: Co-owner, founder and board member of the company Bara riktig mat och kemi förlag AB.

Holdings in Nanexa: 410,250 shares, 50,000 warrants of series TO 5 (2021/2024:1) and 125,000 warrants of series TO 6 (2022/2025).

Bengt Gustavsson [7]

Medical Director, since 2021

Born: 1962

Education: BSc in Pharmacy, Doctor of Medical Science (DMSc) Uppsala University. EUCOR / ECPM degree in Pharmaceutical Medicine from EUCOR universities in Basel, Freiburg and Strasbourg

Experience: Bengt Gustavsson has many years' experience from the pharmaceutical industry in Sweden and the Nordic countries, and has been Nordic Medical Director at Novartis Oncology, Nordic Clinical Research Director at Sanofi-Aventis, Nordic Medical Head of Celgene and Global Head of Medical Affairs at Oncopeptides. Bengt Gustavsson is a former reserve officer in the Swedish Air Force.

Other positions: Medical Director at Nanexa since 2021. Owner and CEO of Sangus Jazz AB, Board member of WNTResearch AB and Senior Advisor at Stratminds AB.

Holdings in Nanexa: 52,000 shares.

Marie Gårdmark [8]

Director Regulatory Affairs, since June 2020

Born: 1965

Education: PhD, Master of Science of Pharmacy (Mpharm).

Experience: Dr. Gårdmark has extensive experience in product development of medicines. She has more than 10 years' experience in leading roles within the Medical Products Agency. As Director of Licensing at the Medical Products Agency, she was responsible for decisions related to drug approvals and decisions on clinical trials and scientific advice. She was also active in the development of guidelines and legislative issues. In addition to this, Dr Gårdmark has more than 10 years' experience from senior roles in both big pharma and small pharmaceutical companies, primarily in the area of strategic regulatory issues in connection with product development projects, due diligence activities and advisory meetings with the FDA and EMA. Her main focus has been in preclinical and clinical development.

Other positions: CEO RegSmart Life Science AB.

Holdings in Nanexa: 0

Otto Skolling [9]

Director Business Development, since 2016

Born: 1961

Education: MSc in Engineering, KTH Royal Institute of Technology Stockholm.

Experience: Otto Skolling has worked for more than 25 years in the pharmaceutical industry, primarily in business development and financing, but also product development. Among other roles, Otto has worked at Pharmacia-Up John, Novozymes, Karolinska Development. Otto also has extensive experience from board work in start-up companies in the pharmaceutical industry.

Other positions: Chief Business Officer iat Asarina Pharma AB, Board member in Respinor AS, Lipidor AB och Bactaviva AB, CEO and Board member in Isles of Wines AB and CEO and chairman of Pharmor AB.

Holdings in Nanexa: 109,600 shares, via companies.

Sven Undeland [10]

Director Strategic market analysis, sedan 2016

Born: 1961

Education: MSc in Chemical and Administrative Sciences., University of Karlstad.

Experience: Sven has broad commercial and clinical experience from the international pharmaceutical industry, based on leading positions within Pharmacia, AstraZeneca and Orexo. Sven's strength is to provide strategic commercial support in life science projects under development, preparing the projects for successful licensing or launch. In addition, Sven has several years' experience in business development and has successfully negotiated and completed several license agreements.

Other positions: CEO and chairman of board in FHC Undeland AB and board member in Redhot Diagnostic AB, consultant in Life Science.

Holdings in Nanexa: 20,000 shares.

Mikael Asp [11]

Head of QA, special advisor since June 2020

Born: 1962

Education: MSc Chemical Engineering, KTH Royal Institute of Technology Stockholm.

Experience: Mikael Asp hhas more than 30 years' experience in development, Quality Assurance and manufacturing of pharmaceuticals. Mikael has worked at Pharmacia, Fresenius-Kabi, Pfizer, Oasmia and others, as Production manager, Quality manager, CTO and CEO.

Other positions Board member of ATI Pharmaqua AB.

Holdings in Nanexa: 3,624 shares.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Advisory boards and consulted experts

Nanexa's scientific councils (so-called Advisory Boards) and consulted experts consist of so-called "Key Opinion Leaders" (KOLs) Leaders (KOL) in each disease area. For NEX-18 and NEX-20, scientific councils have been formally established and it is the company's intention that this will also happen for NEX-22, where individual experts have so far been consulted separately.

The function of the councils and experts towards Nanexa is the same regardless of the project and is to provide qualified scientific advice regarding the indication in question (diabetes type 2 diabetes, multiple myeloma, MDS). This means scientific interpretation of preclinical as well as clinical data from the company's research studies, discussion and advice on the design of clinical development programs, advice on the medical need for new treatments within each indication, advice on the current project's "Target Product Profile", advice and information on the direction of clinical drug development in the respective indication, own clinical experience, advice on which congresses can be good to target for different publications, advice on relevant clinical and preclinical research groups to collaborate with, advice on which patient groups that might be realistic to study in clinical trials; and an understanding of the healthcare system in the countries the respective KOL comes from or operates in.

Advisory board NEX-18

Prof. Robert Peter Gale, MD, PhD

Centre for Haematology Research, Department of Immunology and Inflammation, Imperial College London, London, Great Britain.

Prof. Axel Glasmacher, MD, PhD

AG Life Science Consulting GmbH & Co. KG, Bonn, Germany (Previously Bonn University and Celgene)..

Prof. Kirsten Grønbæk, MD, PhD

Department of Haematology, Centre for Cancer and Organ Diseases, Rigshospitalet, Rigshospitalet, Copenhagen University Hospital, Copenhagen, Denmark.

Prof. Uwe Platzbecker, MD, PhD

Department of Hematology, Cellular Therapy and Hemostaseology, Leipzig University Hospital, Leipzig, Germany.

Dr. Magnus Tobiasson, MD, PhD

Department of Hematologi, Karolinska University Hospital, Stockholm, Sweden.

Dr. José Miguel Torregrosa Diaz, MD

Hematology-Oncology Unit, University Hospital of Poitiers, Poitiers, France.

Advisory board NEX-20

Prof. Axel Glasmacher, MD, PhD

AG Life Science Consulting GmbH & Co. KG, Bonn, Germany (Previously Bonn University and Celgene)..

Prof. Xavier Leleu, MD, PhD

University Hospital of Poitiers, Poitiers, France.

Prof. Marie von Lilienfeld-Toal, MD, PhD

University Hospital of Jena, Germany.

Dr. Christopher Maisel, MD

Texas Oncology-Baylor Charles A. Sammons Cancer Center, Dallas, Texas, USA.

Prof. Karthik Ramasamy, MD, PhD

University of Oxford, Oxford, Great Britain.

Scientific advisors NEX-22

Prof. Jan Bolinder

Karolinska Institutet, Sweden.

Prof. John Buse

University of North Carolina, Chapel Hill, North Carolina, USA.

Prof. Deepak L Bhatt

Harvard Medical School, Boston, Massachusetts, USA.

Upcoming events

Interim report Quarter 1, 2024	3 May, 2024
Annual General Meeting 2024	15 May, 2024
Interim report Quarter 2, 2024	27 August, 2024
Interim report Quarter 3, 2024	7 November, 2024
Year-end report for 2024	19 February, 2025

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