ASCELIA PHARMA

Advancing Orphan Oncology

ANNUAL REPORT 2024

Orviglance® Advances to Registration Phase after Successful Phase 3 Study Completion

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7 May 2025	Annual General Meeting 2025
16 May 2025	Interim report Q1 2025 (Jan-Mar)
21 August 2025	Half-year report H1 2025 (Jan-Jun)
5 November 2025	Interim report Q3 2025 (Jan-Sep)
5 February 2026	Full-year report 2025 (Jan-Dec)

ABOUT US

About Ascelia Pharma

Ascelia Pharma is a biotech company focused on orphan oncology. We develop and commercialize novel drugs that address unmet medical needs and have a clear development and market pathway. The company has two drug candidates – Orviglance® and Oncoral – in development. Ascelia Pharma has global headquarters in Malmö, Sweden, and is listed on Nasdaq Stockholm (ticker: ACE).

About Orviglance

Orviglance (manganese chloride tetrahydrate) is a first-in-class oral contrast agent for MR-imaging developed to improve the detection and visualization of focal liver lesions (including liver metastases and primary tumors) in patients with impaired kidney function. These patients are at risk of serious side effects from the currently available class of gadolinium-based contrast agents. Orviglance, which has been granted an Orphan Drug Designation by the US Food and Drug Administration (FDA), has in the pivotal Phase 3 study, successfully met the primary endpoint and demonstrated that the company's magnetic resonance imaging (MRI) contrast agent, Orviglance significantly improved the visualization of focal liver lesions compared to unenhanced MRI. The New Drug Application (NDA) is expected submitted mid-2025.

About Oncoral

Oncoral is a novel irinotecan chemotherapy tablet developed initially for the treatment of gastric cancer. Irinotecan chemotherapy has an established potent anti-tumor effect. Oncoral is a daily tablet with the potential to offer better patient outcomes with improved safety following the daily dosing at home compared to intravenous high-dose infusions at the hospital. Following successful Phase 1 results, Oncoral is now prepared for Phase 2 clinical development.

For more information, please visit http://www.ascelia.com.

Advancing Orphan Oncology

We identify, develop and commercialize novel drugs that address unmet needs of people with rare cancer conditions

CEO STATEMENT

In 2024, we met several major milestones for our lead asset Orviglance. We announced a successful outcome of the pivotal Phase 3 study, SPARKLE, with positive headline results and subsequent Full Study Report which mark the completion of the clinical development of Orviglance. The results showed that Orviglance significantly improved visualization of focal liver lesions, successfully meeting the primary endpoint with statistical significance for all three readers (<0.001). The results of the secondary endpoint analysis further reinforce the successful study outcomes and support the New Drug Application (NDA) process and potential clinical value of Orviglance.

In March 2025, we announced the outcomes from a planned meeting with the US Food and Drug Administration (FDA), providing positive guidance for the Orviglance NDA in order to progress with the submission mid-2025 as planned. We are in a strong position to execute on our key priorities in 2025; to submit the NDA and to continue the dialogue with potential partners for the commercialization of Orviglance and make it available to patients in need of a high-quality liver imaging option without gadolinium related safety risks.

It's encouraging to see how the medical community has welcomed Orviglance with the acceptance of SPARKLE Phase 3 data for presentation in four oral presentations and three abstracts at key scientific conferences thus far.

With the fully subscribed SEK 105 million Rights Issue financing in Q3 2024, our cash runway extends until late 2025; well beyond the NDA submission for Orviglance. Our runway can furthermore be significantly extended during 2025 with financing from warrants and partnering.

Positive Orviglance Phase 3 results. As announced in May 2024, the pivotal Phase 3 study for Orviglance, SPARKLE successfully met the primary endpoint and demonstrated that the company's magnetic resonance imaging (MRI) contrast agent, Orviglance significantly improved visualization of focal liver lesions compared to unenhanced MRI. The positive results had both an acceptable level of variability and high statistical significance (P values <0.001) for all three readers.

Early November, we announced the planned completion of the Full Study Report. It includes the previously announced strong results of primary endpoints. In addition, the results of secondary endpoints further reinforce the successful study outcomes and support the NDA process.

Common adverse events in this vulnerable patient population were in line with previous studies with Orviglance, such as mild- to moderate nausea. No serious adverse drug reactions were observed.

Completion of Orviglance clinical development. With the positive results and Full Study Report for SPARKLE, clinical development of Orviglance has been successfully completed with consistent positive efficacy and safety data from nine clinical studies with a total of 286 patients and healthy volunteers. 85 patients with known or suspected focal liver lesions and severely impaired kidney function were included in the global multi-center Phase 3 SPARKLE study.

The strong results reinforce our confidence in the market potential and path to market for Orviglance. We are now focusing on bringing Orviglance through the regulatory submission and approval process. We expect to submit the NDA file to the FDA by mid-2025 to obtain regulatory approval.

In parallel, we continue to advance the dialogues with potential commercialization partners to make Orviglance available to patients who need high-quality liver imaging without the safety risks associated with gadolinium.

”We are pleased to see the strong interest in Orviglance within the scientific community with the continued acceptance of our SPARKLE Phase 3 data for presentation at major conferences”.

Recognition in the scientific community. We are pleased to see the successful acceptances of SPARKLE data for presentation at major scientific conferences. Early October, we announced the acceptance of primary results from SPARKLE as an oral presentation in Cutting-Edge Research at the annual conference of the Radiological Society of North America (RSNA); the world's largest radiology conference. Later in October, we announced the acceptance of an abstract on SPARKLE data as part of the Late-Breaking Science Posters session at American Society of Nephrology Kidney Week Congress.

Other key conferences have subsequently also welcomed the presentation of SPARKLE data, such as the Society of Abdominal Radiology (SAR) and the European Society of Gastrointestinal and Abdominal Radiology (ESGAR).

In total four oral presentations and three abstract presentations have been accepted at major conferences thus far, underscoring the interest in the medical and scientific community for an alternative to gadolinium-based contrast agents for patients with reduced kidney function.

Strategy to commercialize with partners. Orviglance addresses a well-defined unmet medical need representing an annual global addressable market of USD 800 million, with 100,000 procedures in the target patient population in the US alone. Our commercialization strategy is to launch Orviglance with commercialization partners. This approach enables us to leverage established commercialization capabilities with a low investment requirement for launch. A focused, ambitious launch plan, built on advanced market insights, is in place. Our current focus is to create value by progressing the dialogue with potential partners and by ensuring that Orviglance is ready for our partner's launch when approved.

Strengthened financial position. In September, we completed a fully subscribed Rights Issue of ordinary shares and warrants, reaching SEK 105 million before costs. With this financing in place we have strengthened our ability to obtain an attractive agreement with commercialization partners and ensured the capacity for completing the NDA submission by mid-2025.

With the fully subscribed Rights Issue and the remaining loan and convertibles issued to Fenja, the company has a cash runway to late 2025, well beyond the NDA submission. This cash runway excludes the repayment of the remaining SEK 27.5 million loans to Fenja but can be extended with financing from warrants and partnering. The proceeds from the issued warrants series TO 1 can provide up to SEK 45 million additional financing in April 2025.

Opportunities ahead in 2025 and beyond. With positive headline results from SPARKLE and the successful Rights Issue financing, we are excited to advance Orviglance to the registration phase and make it available for patients together with a partner.

We are on an exciting journey with opportunities for growing Ascelia Pharma in 2025 and beyond.

Magnus Corfitzen, CEO

KEY EVENTS IN 2024

FEBRUARY
Financing of up to SEK 35 million secured

APRIL
SPARKLE Phase 3 study image reading completion

MAY
Primary endpoint successfully met in the pivotal Phase 3 study SPARKLE with strong headline results

JULY
Resolution to carry out a Rights Issue of units of approximately SEK 105 million

SEPTEMBER
Completed fully subscribed SEK 105 million Rights Issue with runway extended to late 2025

OCTOBER
Orviglance SPARKLE data presented as late breaking abstract at Kidney Week 2024

OCTOBER
Marianne Kock elected as new member of the Board of Directors

NOVEMBER
Completion of Full Study Report for the pivotal Phase 3 Study for Orviglance

DECEMBER
Orviglance SPARKLE study primary results presented as cutting-edge oral presentation at RSNA 2024

DECEMBER
Two abstracts with SPARKLE data accepted for presentation at SAR congress 2025

DECEMBER
Patent granted in China for second generation Orviglance

ADVANCING ORPHAN ONCOLOGY

OUR VALUES

FOCUS
We are devoted to improving the lives of patients and creating values for our stakeholders.

COURAGE
We work tirelessly and follow our convictions even when it means changing status quo.

INTEGRITY
We build powerful relationship with mutual respect and adhere to the high ethical standards of our industry.

OUR VISION

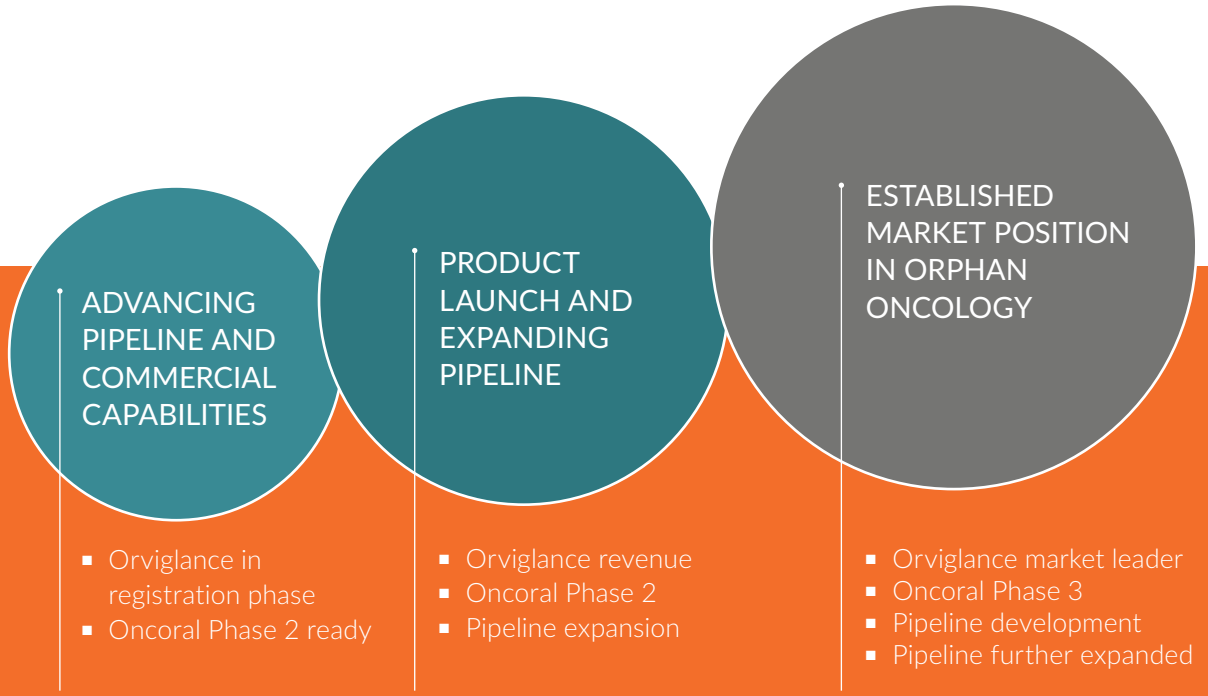
To be a leader in identifying, developing and commercializing novel drugs that address unmet needs of people with rare cancer conditions.

OUR BASE

Our headquarter is in Malmö, Sweden, and our US base is in New Jersey.

Ascelia Pharma shares are listed on NASDAQ Stockholm (ticker: ACE).

Building Ascelia Pharma and building value



OUR PIPELINE

ORVIGLANCE
Diagnostic drug for liver MRI in registration phase

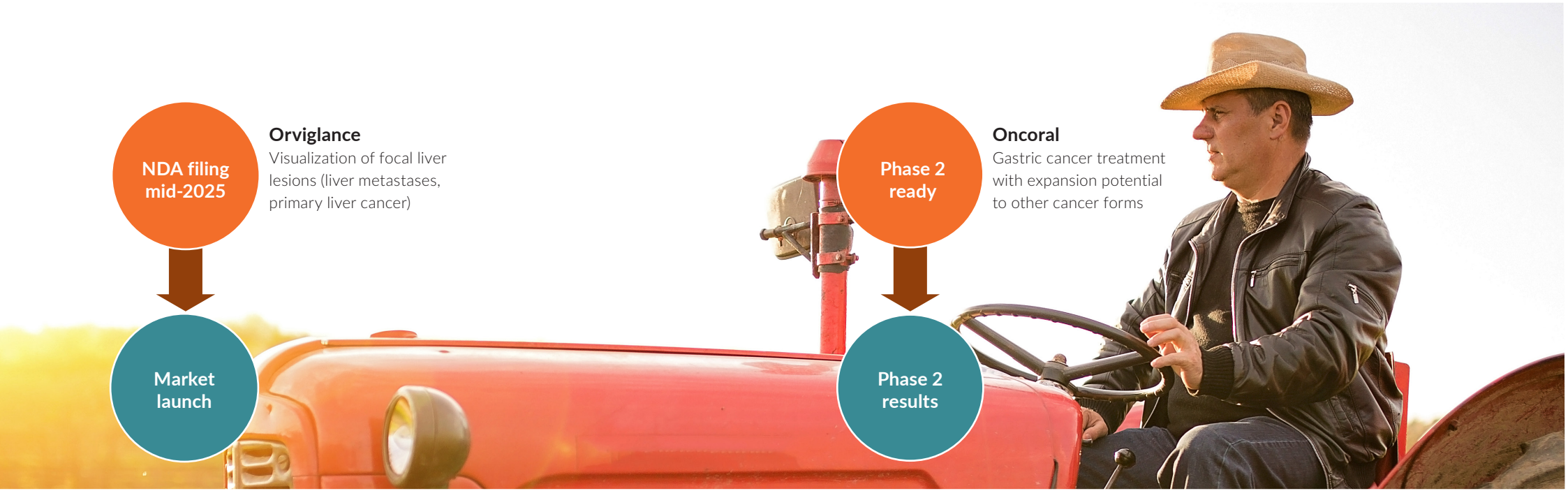
Orviglance is our first-in-class non-gadolinium diagnostic drug (contrast agent) to be used for MRI-scans of the liver. Orviglance is developed to improve the visualization of focal liver lesions (liver metastases and primary liver cancer) in patients with impaired kidney function at risk of severe side-effects from the gadolinium contrast agents currently on the market.

- First-in-class manganese-based diagnostic drug with FDA Orphan Drug Designation
- USD 800 million global annual addressable market
- Clinical development completed, incl. pivotal Phase 3, with consistent positive efficacy and safety data from nine clinical studies with 286 patients and healthy volunteers

ONCORAL
Daily tablet chemotherapy ready for Phase 2

Oncoral is our novel oral irinotecan chemotherapy tablet developed initially for the treatment of gastric cancer. The potential anti-tumor effect of irinotecan is well established.

- Oral daily dosing of irinotecan chemotherapy
- Potential for better efficacy and safety by frequent low dosing
- Ready for Phase 2 in gastric cancer; potential to expand into other cancers



ORVIGLANCE

Orphan liver diagnostic imaging drug

- Orphan Drug Designation by FDA
- USD 800 million global annual addressable market
- Manganese-based MR-imaging drug
- The only late stage gadolinium-free agent
- Phase 3 study completed
- NDA submission by mid-2025

MANAGING CANCER IN THE LIVER DRIVES OUTCOMES

One of the reasons that cancer is a serious disease is its ability to spread to other parts of the body than the location of the primary tumor (i.e. where the first tumor formed). When cancer cells spread to distant lymph nodes, tissues or organs, it is called metastatic cancer. Cancer can spread to any part of the body, but certain areas such as the liver are more prone to metastases than others.

The liver is the second most common organ for metastasis after the lymph nodes. Up to 50-70 percent of patients with colorectal cancer develop liver metastases, and liver metastases seem to play a significant role in the cause of death of patients who die with breast or colorectal cancer.

Correct diagnosis is critical for management of patients with liver metastases. For this, imaging plays an essential role in both initial staging, pre-operative planning, monitoring of treatment effect and surveillance for recurrence of disease. If liver metastases are accurately and timely detected and deemed eligible for surgical removal, the survival rate can be significantly improved, and sometimes full recovery is possible. For example, the five-year overall survival rate for patients undergoing resection for colorectal liver metastases has been reported to be 46 percent compared to only 6 percent for patients who were not subjected to surgical treatment of their liver metastases[2].

Magnetic Resonance Imaging (MRI) is considered the preferred imaging modality for both initial cancer disease staging and monitoring of liver metastases. MRI is an imaging method that uses non-ionizing radiation to create useful diagnostic images. MRI scans use radio waves and strong magnets, and unlike CT and PET, MRI doesn't gives ionizing radiation to the patient.

Contrast agents improve the MRI-scans. To enhance the quality of the MRI, patients are given contrast agents prior to the procedure. A contrast agent is a substance that make abnormalities, such as metastases, appear clearer in the image. This occurs thanks to the special magnetic properties of the chemical element in the contrast agent.

DETECT AND LOCALIZE	TREAT	IMPROVE SURVIVAL
MRI is the most sensitive method for detection of liver cancer or metastases[1] **Contrast agents** are given to maximize accuracy of liver metastasis detection in MRI	**Treatment options for liver metastases are:** ■ Surgical resection (only if detected early) ■ Localized therapies (ablation embolisation, radiation) ■ Drug therapy	**Accurate, early detection** of liver metastases significantly impact treatment decisions and **patient survival** **Example: Colorectal cancer[2]** **The 5-year overall survival rate increased from 6 percent to 46 percent** in patients with colorectal cancer, when liver metastases were resected surgically compared with patients who did not undergo surgery

1) Albiin N et al. Manganese chloride tetrahydrate (CMC-001) enhanced liver MRI: evaluation of efficacy and safety in healthy volunteers. MAGMA. Mar 2012
2) Clinical Colorectal Cancer, Vol. 15, No. 4, Dec 2016, e183-192

CURRENT CONTRAST AGENTS NOT FOR EVERYONE

Contrast agents assists in diagnosis and staging of cancer lesions and help guide treatment decisions and planning. MRI with contrast is a very sensitive and useful imaging method to assess and select patients eligible for metastatic resection or locally directed non-surgical treatment. MRI with contrast is also used to determine if a given treatment has been effective and for surveillance of possible recurrence of disease.

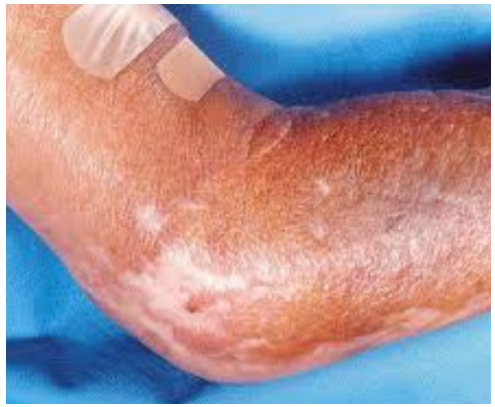
Current contrast agents on the market are not for everyone. Patients with severely impaired kidney function are at risk of severe side effects from using the contrast agents currently used. Contrast agents used today are based on the heavy metal gadolinium and for patients with impaired kidney function these contrast agents increase the risk of Nephrogenic Systemic Fibrosis (NSF). NSF is a rare, but serious and life-threatening condition. It is characterized by inflammation and fibrosis (connective tissue sclerosis) in various tissues, such as the skin, joints, muscles, diaphragm, and pulmonary vessels. The condition can deteriorate quickly, and even lead to death due to failure of several different organ systems.

Black-box warnings. Current gadolinium-based contrast agents carry black box warnings for patients with severely impaired kidneys. Regulatory agencies such as FDA and EMA have published guidelines for the use of gadolinium-based-contrast agents (GBCAs) in MRI with restrictions on the use of GBCAs on patients with severely reduced kidney function.

Orviglance - free from gadolinium. Orviglance is based on manganese and is expected to be the first gadolinium-free contrast agent for liver imaging. For patients with severely impaired kidney function, the preferred imaging choice today is an MRI-scan without a contrast agent. This reduces the ability to find and treat liver metastases and consequently patients' chances of survival. Our goal is to establish Orviglance as the standard of care contrast agent for patients with severely impaired kidneys.

Gadolinium concerns also for patient with normal kidney function. In addition to the association with NSF, there have been recent reports of accumulation of gadolinium in the brain. Although the side-effects of brain accumulation of gadolinium are yet to be determined, the EMA suspended three gadolinium-based products in November 2017. In December 2017, the FDA warned that gadolinium-based contrast agents (GBCAs) are retained in the body.

Orviglance aims to be the standard liver MRI contrast agent for patients with impaired kidney function

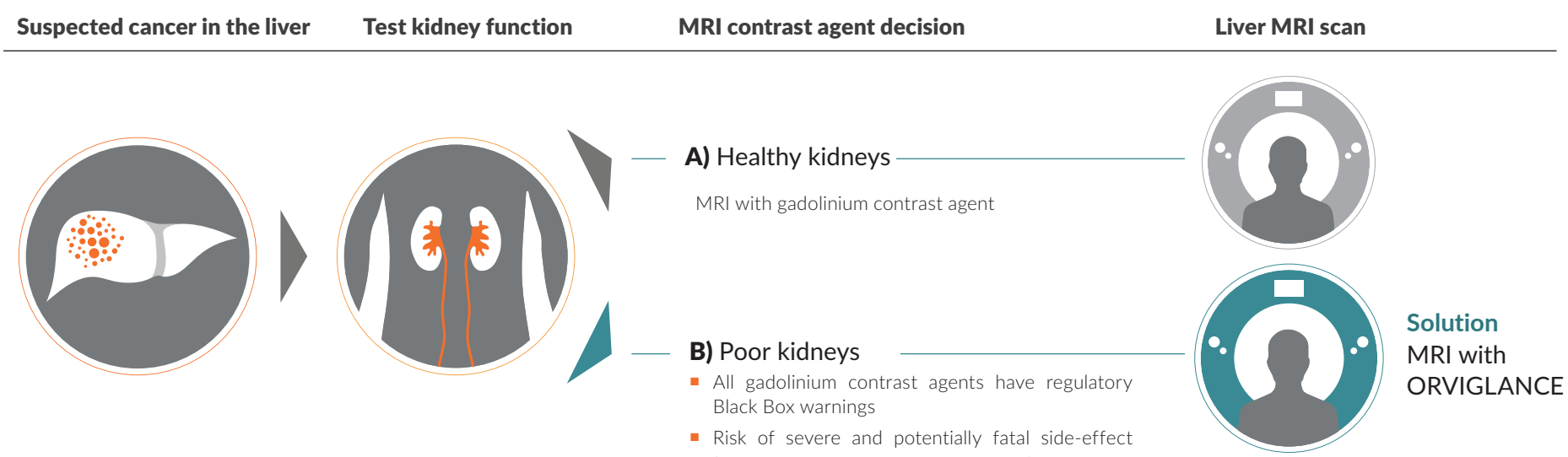


WARNING: NEPHROGENIC SYSTEMIC FIBROSIS (NSF)
See full prescribing information for complete boxed warning.
Gadolinium-based contrast agents (GBCAs) increase the risk for NSF among patients with impaired elimination of the drugs. Avoid use of GBCAs in these patients unless the diagnostic information is essential and not available with non-contrasted MRI or other modalities.

- **The risk of NSF appears to highest among patients with:**
  - **Chronic, severe kidney disease (GFR < 30 mL/min/1.73m2), or**
  - **Acute kidney injury.**
- **Screen patients for acute kidney injury and other conditions that may reduce renal function.**
- **For patients at risk for chronically reduced renal function (for example, age > 60 years, hypertension, or diabetes), estimate the glomerular filtration rate (GFR) through laboratory testing (5.1)**

ORVIGLANCE ADDRESSES UNMET NEEDS FOR LIVER MRI IN PATIENTS WITH KIDNEY IMPAIRMENT

Orviglance aims to be the standard of care liver MRI contrast agent for patients also suffering from severe kidney impairment. These patients are at risk of severe side-effects from using gadolinium-based contrast agents and would benefit from a non-gadolinium agent. Orviglance aims to fill this unmet medical need and become standard of care for this patient group.



HOW ORVIGLANCE WORKS

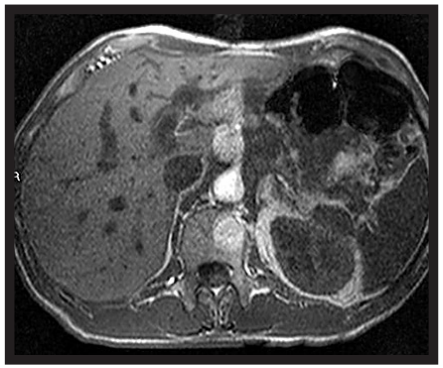
Orviglance is an orally administrated contrast agent developed for use with MRI of the liver. It is based on the chemical element manganese, which is a natural trace element in the body. After having been absorbed from the small intestine, the manganese is transported to the liver where it is taken up by and retained in the healthy liver cells.

The high manganese uptake causes the normal liver tissue to appear bright on MR images. Metastases and tumor cells do not take up manganese to the same extent as normal liver tissue and therefore appear dark on MR images. With Orviglance, liver metastases are consequently easier to identify due to this contrast effect.

When administered orally, manganese is absorbed from the gastro intestinal tract, taken up in the liver and excreted via the bile. Due to the high pre-systemic first pass effect only minimal amounts reach the blood stream, so the systemic exposure is very low, reducing risks of systemic side effects. The mean manganese blood concentration values were within the normal range at all dose levels tested in the clinical studies with Orviglance.

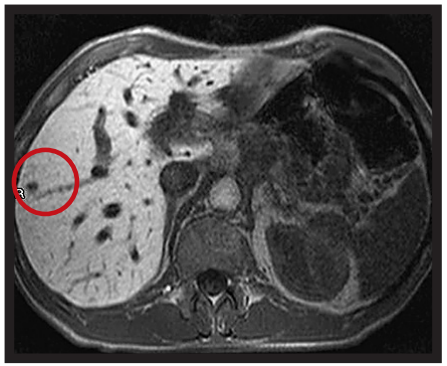
Patient example from our Phase 2 study[1]

Unenhanced liver MRI
(i.e. without contrast agent)



No metastasis visible

Orviglance enhanced liver MRI



Metastasis becomes visible

1) Source: Patient with colorectal cancer. (Study CMC-P002)

SEVERAL BENEFITS WITH ORVIGLANCE

Key benefits of Orviglance

Potential to be the first and only broadly available non-gadolinium contrast agent for liver MRI

Based on manganese – a natural trace element in nature and the body – with no risk of NSF

Strong evidence for improved liver MRI enhancement from nine clinical studies

Limited systemic exposure and good safety profile

Ease of use for patients and clinicians with oral administration and a flexible MRI procedure window from ingestion

The strong contrast effect with Orviglance observed in nine clinical studies makes it a good candidate as liver contrast agent for patients where the use of gadolinium-based contrast agents may be medically inadvisable or cannot be administered. Orviglance has the potential to offer a significantly better alternative than unenhanced MRI (i.e. MRI with no medical contrast agent). The patient segment for Orviglance comprises mainly patients with severe kidney impairment who have an estimated glomerular filtration rate (eGFR) below 30 mL/min/1.73 m^2, i.e. patients with chronic kidney disease stages 4 and 5 as well as patients with acute kidney injury.

In summary, there is a large medical need since there is no contrast agent not associated with risks related to gadolinium broadly available for patients with severe kidney impairment who require an MRI scan of the liver. We believe Orviglance has the potential to become the preferred liver MRI contrast agent for this group of patients.

CLINICAL DEVELOPMENT COMPLETED

Nine clinical studies complete the clinical program. The clinical program for Orviglance consists of nine studies – eight phase 1 and 2 studies and one pivotal phase 3 study, SPARKLE. Clinical development has successfully been completed with consistent positive efficacy and safety data from all clinical studies including in total 286 patients and healthy volunteers.

Consistent strong efficacy readout and safety profile. Overall, the results from clinical studies showed that diagnostic quality scores were improved with Orviglance and provided strong support for Orviglance as an effective non-gadolinium liver MRI contrast agent.[1]

Across all studies, Orviglance was safe and well tolerated, Common adverse events in this vulnerable patient population were in line with previous studies, such as mild- to moderate nausea. No serious adverse drug reactions were observed.

A study investigated the effect on the MRI contrast performance in connection with of food intake shortly before administration of Orviglance (food effect study). This food effect study demonstrated that the MRI signal enhancement in the liver after a light meal was comparable to fasting conditions.

Another study investigated safety and pharmacokinetics of Orviglance in patients with various degree of liver impairment (hepatic impairment study), demonstrating that there was no renal excretion of Orviglance. Excretion is primarily occurring via the liver also in this subgroup of patients.

A blinded re-read study, which included 178 persons (healthy volunteers and patients) confirmed that Orviglance significantly improves MRI performance compared to unenhanced MRI (without contrast). Importantly, Orviglance improved MRI performance in terms of lesion lesion contrast (p-value <0.0001) and border delineation (p-value <0.0001) when using a methodology similar to the phase 3 program. Further, compared to unenhanced MRI, 33 percent more lesions were detected with Orviglance-enhanced MRI.

A re-read analysis was performed of MR images from a study that originally was designed to evaluate the diagnostic performance of Orviglance in comparison with a gadolinium-based contrast agent in 20 patients with knownliver metastasis[1]. This re-read used the same evaluation method for the primary endpoint of lesion visualization as is used in the pivotal phase 3 study with image scoring by three blinded, independent radiologists. The results of this analysis confirmed that Orviglance-enhanced liver images were comparable to gadolinium-enhanced images and Orviglance provided superior liver MRI enhancement vs. unenhanced MRI (p-value <0.009).

1) These studies have been published in Thomsen HS et al, Acad Radiol 2004: 11: 630-636, Thomsen HS et al. Eur Radiol 2007, 17: 273-278, Rief M et al. Invest Radiol. 2010; 45: 565-71, Brismar TB et al.. Eur Radiol 2012; 22:633-41, Albiin N et al. MAGMA. 2012; 25:361-368, Shamsi,K., Oral presentation at ESGAR 2022: SSGI12-2, Lisbon, Portugal., Shamsi,K., Oral presentation at RSNA 2022: W7-SSGI15-2, Chicago, IL, United States. Hepatic impairment study ASC MAN-P017 has not yet been published.

The pivotal Phase 3 study for Orviglance, SPARKLE successfully met the primary endpoint and demonstrated that Orviglance significantly improved visualization of focal liver lesions compared to unenhanced MRI. The positive results were strong and conclusive and had both an acceptable level of variability and high statistical significance (P values <0.001) for all three readers.

Advanced to registration phase. Submission of the NDA file to the FDA is expected mid-2025. Key steps during the NDA preparations include the Full Clinical Study Report completed in Q4 2024 and conclusions from a meeting with the FDA in advance of NDA submission. This meeting was held in Q1 2025 as planned, and the FDA provided clear and concrete guidance for the proposed NDA for Orviglance. The meeting discussion and final minutes support the finalization of the NDA submission by mid-2025 according to plan.

Clinical development successfully completed

Nine studies with consistent positive efficacy and safety results[1-7]

286 patients and healthy volunteers

Phase 1 studies demonstrated safety, absorption and signal intensity
Total 4 studies with 126 healthy volunteers, incl. dose-finding, hepatic impairment and food effect

Phase 2 studies demonstrated efficacy and safety in patients with known metastases
Total 4 studies with 75 patients

Orviglance efficacy confirmed vs. gadolinium & unenhanced in centralized evaluation
Centralized evaluation with 3 readers of phase 2 study (20 patients) with liver metastases using same endpoint as in phase 3

Phase 3 study confirmed efficacy and safety in the target population
Pivotal study on visualization of focal liver lesions and safety in patients with severe kidney impairment (85 patients)

1) *Thomsen HS et al, Acad Radiol 2004: 11: 630-636*
2) *Thomsen HS et al. Eur Radiol 2007, 17: 273-278*
3) *Rief M et al. Invest Radiol. 2010; 45: 565-71*
4) *Brismar TB et al.. Eur Radiol 2012; 22:633-41*
5) *Albiin N et al. MAGMA. 2012; 25:361-368*
6) *Study CMC-P005, primary objective to study of Orviglance for imaging of bile ducts (not published)*
7) *Results from Phase 1 and 2 and Food Effect and Hepatic Impairment Studies presented at RSNA and ESGAR conferences between 2022 and 2023*

PHASE 3 SUCCESSFULLY COMPLETED

Phase 3 primary endpoint met

The pivotal Phase 3 study, SPARKLE, successfully met the primary endpoint and demonstrated that Orviglance significantly improved the visualization of focal liver lesions compared to MRI without contrast, unenhanced MRI. The results for all three readers were highly statistically significant (P values <0.001).

Common adverse events in this vulnerable patient population were in line with previous studies with Orviglance, such as mild- to moderate nausea. No serious adverse drug reactions were observed.

Designed to support regulatory approval

The pivotal Phase 3 study (SPARKLE) is a global multicentre study, which was completed with 85 enrolled patients with suspected or known focal liver lesions and severely impaired kidney function.

The evaluation of the primary endpoint was carried out by three blinded, independent radiologists (readers), in accordance with regulatory guidance to the industry. The readers assessed the changes in visualization of liver lesions with and without Orviglance, as well as other secondary efficacy endpoints.

Following an unacceptably high intra-reader variability in the first image scoring by readers mid-2023, a new evaluation of the images with new readers was successfully completed with the announced positive headline results and acceptable variability in May 2024, in line with the planned timeline.

The full Phase 3 program was designed in accordance with industry standards, regulatory guidance for imaging agent development and based on discussions with regulatory agencies. The program aims to to support a regulatory filing and approval for use of Orviglance for liver imaging in patients where the use of gadolinium may be medically inadvisable.

Orviglance clinical Phase 3 study

NUMBER OF PATIENTS	**Global study with 85 patients**
PRIMARY ENDPOINT	**Lesion visualization scoring using scales from 1 ('poor') to 4 ('excellent') for all lesions for each patient** ■ Border delineation (BD, border sharpness of lesions) ■ Lesion contrast (LC, conspicuity compared to liver background)
COMPARATOR	**Unenhanced MRI + Orviglance MRI vs. Unenhanced MRI**
EVALUATION	**Centralized evaluation by 3 radiologists (blinded readers)**
RANDOMIZATION	**None – each patient their own control**
FOLLOW-UP	**Less than a week**

Strong positive Phase 3 results

- For unenhanced images, the median BD and LC scores ranged from 2.1 to 3.0 across readers
- For Orviglance-enhanced images, the median BD and LC scores increased to 3.0 and 4.0 across readers
- Increases were statistically significant (p<0.001) for all three readers

The results of secondary endpoints generally support the superiority of Orviglance compared to unenhanced MRI, e.g. with at least one additional lesion detected in 40-52% of patients with Orviglance across readers.

No analysis favours unenhanced MRI, including in patient sub-group analysis.

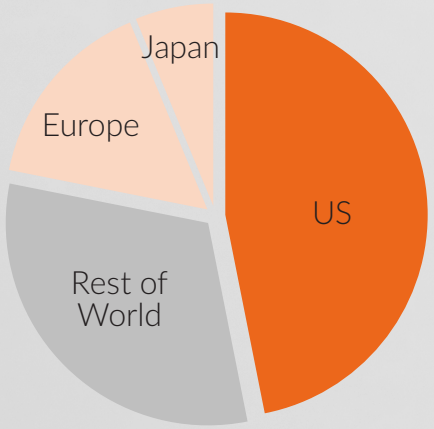
Orviglance superiority vs. unenhanced was demonstrated regardless of whether unenhanced was compared to images with Orviglance combined with unenhanced or images with Orviglance alone.

ANNUAL ADDRESSABLE MARKET OF USD 800 MILLION

Clear and attractive addressable market

Orviglance addresses a well-defined unmet medical need representing an attractive commercial potential with an annual global addressable market of USD 800 million. This estimate is based on:

- Patients with primary liver cancer or liver metastases and severe kidney impairment (~4 percent)
- Actual imaging procedures (real-world data)[1]
- Payer and expert input (+75 stakeholders)[2]



Unique opportunity to address an unmet need

Orviglance addresses an attractive market opportunity by offering contrast enhanced liver imaging for cancer patients with poor kidney function

- not associated with gadolinium safety risks for patients with poor kidney function
- addressing the increasing demand for alternatives to toxic gadolinium

90 percent of health care professionals are concerned by safety issues related to gadolinium contrast agents including NSF. In fact, according to market research, 16 percent of healthcare providers have experienced gadolinium-induced NSF[3].

In the US alone real-world data shows that 100,000 abdominal imaging procedures are performed every year in 50,000 patients that fall under the black-box warning for gadolinium contrast agents, which is about 4 percent of the cancer patient population undergoing abdominal imaging.

Partnering strategy

The go-to-market strategy for Orviglance is to launch with commercialization partners. This approach enables Ascelia Pharma to leverage established commercialization capabilities and maintain a low investment requirement for launch.

The focus of Ascelia Pharma is to create value by ensuring launch readiness and collaboration with a partner by preparing for optimal adoption by key stakeholders at launch.

UNIQUE OPPORTUNITY

Give people with cancer in the liver and poor kidney function ACCESS TO SAFE AND EFFECTIVE IMAGING to live healthier and longer lives

CLEAR AMBITION

Be the STANDARD OF CARE liver imaging choice for cancer patients with poor kidney function

FOCUSED, AMBITIOUS STRATEGY

Ensure OPTIMAL LABEL, timely SUPPLY and launch READINESS
Drive EARLY ADOPTION AND PREFERENCE by decision makers with focused efforts and a strong value proposition

"Our commercialization strategy is to launch through partners, supporting our ambition to secure the optimal balance between future revenues and investment required. Our focus in 2024 is therefore to continue the ongoing dialogue with potential partners and to ensure that Orviglance is ready for launch when approved", says Julie Waras Brogren, Deputy CEO

1) Ascelia Pharma market research on real-world volumes with DRG (2020)
2) Market access research and analyses with Charles River Associates (2020), Triangle (2022) and Trinity (2022), incl. 75 stakeholder and expert interactions. Final pricing and access strategy subject to Phase 3 data and payer evidence
3) Ascelia Pharma market research with Two Labs including 254 US HCPs (2022).

STRONG RESULTS FROM MARKET RESEARCH

Market research says 84 percent US healthcare professionals likely to use Orviglance imaging agent in target population. Deputy CEO, Julie Waras Brogren, answers questions about the research.

Why is this market research important for Ascelia Pharma? When preparing for launch, it is important to understand how decision makers see the value proposition of Orviglance – What influences their decisions? How do they perceive the unmet need and value proposition of Orviglance? These insights are key to launch preparations because they help us engage with the right influencers, with the right arguments at the right time.

What did the research teach you and the team? The independent research was conducted with more than 250 healthcare professionals (radiologists, nephrologists and oncologists). The results confirm the strong need for an effective and safe alternative to gadolinium-based contrast agents (GBCAs) in liver imaging for patients with reduced kidney function. Firstly, safety is a key decision driver of using an MRI contrast agent.

The most concerning side-effect overall when using GBCAs is Nephrogenic Systemic Fibrosis (NSF), followed by allergies and gadolinium toxicity. 16 percent of the 254 respondents have experienced a case of NSF – and more than half of these healthcare professionals have practiced medicine less than 15 years, i.e. they were not in clinical practice before the FDA black-box warning was issued in 2007.

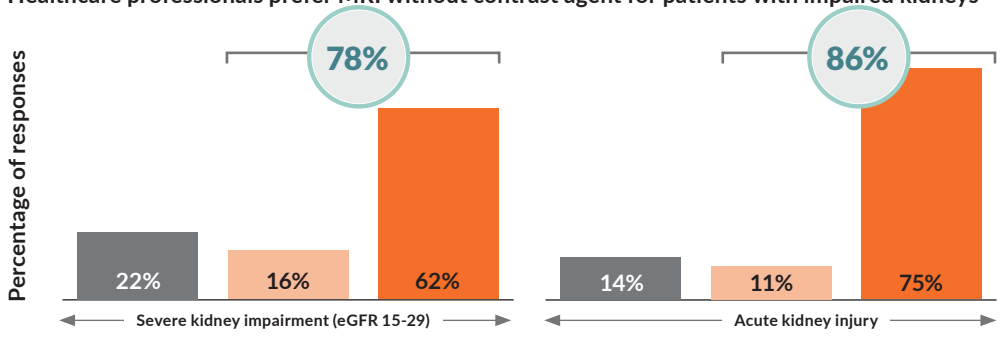
In line with their concerns, key decision makers say that they prefer to use MRI without contrast agent for patients with severe kidney impairment (eGFR below 30) or acute kidney injury (AKI). Around ***80 percent of the time, they use either MRI without a contrast agent or reduced dose MRI for these vulnerable patients.***

Respondents also say that patients are generally aware of the risks associated with GBCA, particularly patients with poor kidney function, regardless of whether they have had an MRI before. When presented the product profile of Orviglance, ***84 percent of respondents say they are likely to or definitely will use Orviglance for the target patient population.*** These results are consistent with findings from quantitative research completed in 2018.

How can you use this market research? The positive reactions to Orviglance from the research participants are incredibly encouraging. This gives us confidence that, once available, Orviglance can improve the outcomes for patients whose current diagnostic options are sub-optimal. We will also use the valuable insights from the survey when engaging with key stakeholders as we prepare for launch.

Market research with 254 healthcare professionals in the US (radiologists, oncologists and nephrologists)[1]

Healthcare professionals prefer MRI without contrast agent for patients with impaired kidneys

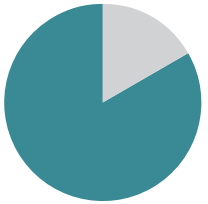


Conclusions

MRI without or with reduced dose contrast is strongly preferred for patients with severe kidney impairment or acture kidney injury.

- MRI with contrast
- MRI with reduced dose of contrast
- MRI without contrast

Likelihood of using Orviglance for target patients



84%
Likely to Definitely
(5-7 of 7)

16%
Not likely to Somewhat likely
(1-4 of 7)

1) As part of the preparations for Orviglance launch, Ascelia Pharma conducted primary market research in the US with Two Labs. The research covered 16 interviews and a survey among 254 HCPs, including 154 radiologists, 50 nephrologists and 50 oncologists. The research was conducted end 2021/early 2022.

MOMENTUM FOR AN ALTERNATIVE TO GADOLINIUM

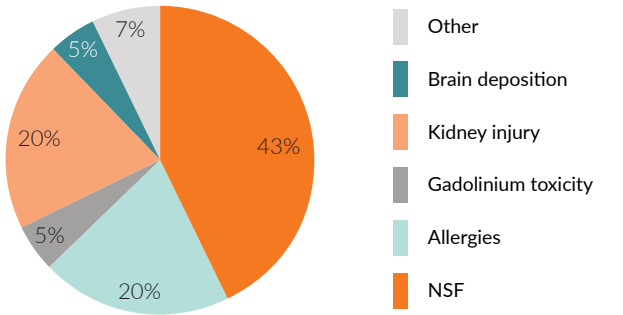
The attention to issues related to gadolinium exposure and the need for safer alternatives is growing.

Risks for kidney patients impact clinical decisions. For patients with impaired kidney function, healthcare professionals, payers and other key decision makers in radiology are well aware of the regulatory black-box warning of the use of gadolinium-based contrast agents (GBCAs). In fact, market research shows that in the US almost 90 percent of hospitals have guidelines for the use of GBCAs[1] and more than 90 percent of healthcare professionals think the risk of nephrogenic system fibrosis (NSF) is a concern when using GBCAs[2].

Overall, insights and market research tell us that the safety concerns related to the use of gadolinium impact clinical decisions making and that the preferred imaging choice for patients where the use of gadolinium is medically inadvisable is an MRI without contrast, or with a non-liver specific lower-risk GBCA – both reducing the ability of clinicians to find and treat focal liver lesions, ultimately impacting the patient's treatment and chance of survival.

Orviglance aims to address this need for a liver imaging option for cancer patients with impaired kidney function, where patients, caretakers and healthcare providers are free from concern or uncertainty of gadolinium-related safety risks.

NSF and other gadolinium toxicities are the most important concerns of GBCAs[2]



N = 254, oncologist, nephrologist, and radiologist responses.
Q: Which side effects or adverse events are you most concerned about when using contrast agents (shown as percent split of highest concern).

Beyond the safety concerns for patients with kidney disease, there is growing attention to other concerns related to the use of gadolinium.

Unknown safety impact of gadolinium retention in the brain and other organs. Beyond the risk of NSF in kidney impaired patients, gadolinium is well known to be retained in the brain and other organs in patients, regardless of kidney function. Scrutiny over the possible short- and long-term safety risks of gadolinium retention is a key concern of the scientific and medical communities, as well as regulators such as the FDA. And many questions remain open.

For example, a group of researchers write 'Recently studies have confirmed gadolinium accumulation in human brain following repeated gadolinium-based contrast agent administrations, regardless of an intact blood-brain barrier or normal renal function. Linear chelates GBCAs can result in more gadolinium deposition than macrocyclic chelates GBCAs. However, the impact of the retained gadolinium in the brain remains unknown, which needs large prospective studies to clarify in the future. It is recommended to take caution when using macrocyclic chelates GBCAs and keep as low doses as possible for reducing gadolinium accumulation in brain.'[3]

1) *Market research for Ascelia Pharma by Back Bay in 2019, including surveys with 84 US radiologists,*

2) *Market research for Ascelia Pharma conducted by Two Labs Pharma Services in Q4 2021/Q1 2022, including 16 interviews and 254 surveys with US oncologist, nephrologist, and radiologist responses*

3) *Bang G. Gadolinium Deposition in Brain: Current Scientific Evidence and Future Perspectives. Mol. Neurosci., 20 September 2018.*

At the end of 2021, members of the American College of Radiology (ACR) recommended a new term for symptom reported after GBCA exposure —Symptoms Associated with Gadolinium Exposure, or SAGE – in order to help researchers and healthcare providers describe and standardize reporting of these symptoms.[1]

In 2022, the FDA reminds healthcare providers that safety information should be given to patients before receiving GBCA injections. The agency states '...we are requiring several actions to alert healthcare professionals and patients about gadolinium retention after an MRI using a GBCA. These include requiring a patient Medication Guide that every patient will be asked to read before receiving a GBCA. We are also requiring manufacturers of GBCAs to conduct human and animal studies to further assess the safety of these agents'[2]. With this in mind, the FDA required gadolinium manufactures to conduct a long-term study to understand the possible effects of GBCA administration on body movement and mental skills when given to patients multiple times over 5 years.[3]

Increasing environmental scrutiny. It is also well known that gadolinium is excreted via the kidneys in urine. Because it is difficult to remove in our sewage systems, it is discharged into the environment and into our drinking water. Gadolinium concentrations in rivers and drinking water is found to be higher close to larger cities and densely populated areas – and gadolinium is even found in soft drinks.[4]

In short, regulators, researchers and the medical community are acting on the uncertainties and unknown safety risks of the use of gadolinium and there is a growing urgency to find a viable alternative to the growing use of gadolinium – an alternative that is neither associated with the short- and long-term safety concerns of gadolinium for patients, nor with the unknown effects of gadolinium in our environment and drinking water. The industry is responding with innovation focused on safer and smaller dose gadolinium alternatives, as well as non-gadolinium contrast agents.

For Ascelia Pharma, the momentum for an alternative to gadolinium, for Orviglance, is getting better and better. Orviglance is the only late-stage non-gadolinium MRI contrast agent in development and is expected to be first-in-class to lead a more sustainable future with less gadolinium.

1) *McDonald R, et al Symptoms Associated with Gadolinium Exposure (SAGE): A Suggested Term. Radiology 2022 302:2, 270-273.*
2) *FDA.gov: 'FDA warns that gadolinium-based contrast agents (GBCAs) are retained in the body; requires new class warnings', 20 Jan 2022.*
3) *ODYSSEY Study. https://clinicaltrials.gov/ct2/show/NCT04373564*
4) *For example: Brünjes R. et al. Anthropogenic gadolinium in freshwater and drinking water systems, Water Research, Volume 182, 2020. Macke M. et al. Fast and automated monitoring of gadolinium-based contrast agents in surface waters. Water Res. 2021 Dec 1;207.*

ONCORAL

Daily oral chemotherapy ready for Phase 2

- Patented daily tablet chemotherapy formulation
- Potential for better efficacy and safety
- Phase 2 in gastric cancer; potential to expand into other solid cancer forms

UNMET NEEDS IN GASTRIC CANCER

Gastric cancer is a disease in which cancer cells form in the lining of the stomach. Almost all gastric cancers are adenocarcinomas, a cancer that begins in glandular tissue. Gastric cancer is often in an advanced stage when it is diagnosed. At this stage, it can often be treated, but rarely cured.

Gastric cancer is a serious disease. Gastric cancer is the third most frequent cause of cancer mortality. The five-year survival rate in the US and Europe is only 20 percent. In these regions 80-90 percent of the gastric cancer patients are diagnosed at an advanced stage and/or have disease relapse within five years. When diagnosed at a late stage, gastric cancer is typically un-resectable and/or metastatic. The incidence rate is higher in Asia, as exemplified by Japan where the incidence rate is five times that of the US and Europe.

USD 3+ billion annual market. The gastric cancer drug market is growing rapidly and is expected to reach USD 4 billion by 2029 according to the database of GlobalData. This growth is fueled by several factors, including an increase in the overall incidence as well as increase in treatment rates and extended treatment duration.

Irinotecan is an established and effective chemotherapy. The current first-line treatment of recurrent or advanced gastric cancer includes chemotherapy, generally as a combination of two or three drugs. Chemotherapeutic drugs (cytotoxics) stop the growth of cancer cells, either by killing the cells or by stopping them from dividing.

There are several chemotherapeutic drugs on the market, and one well-established and effective molecule is irinotecan. It has a proven anti-tumor effect and is approved for combination use in several solid cancer indications.

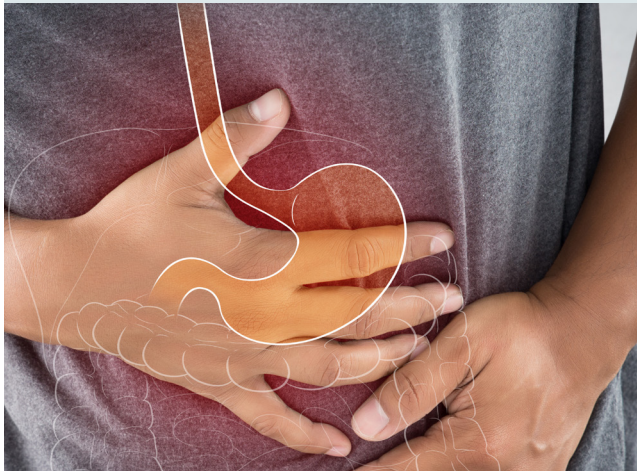
In the US and Europe, irinotecan is currently mainly used for treating metastasized colorectal and pancreatic cancer. Although irinotecan is currently not approved for treating gastric cancer in the US and in Europe, there is off-label clinical use. It is also recognized in clinical guidelines (ESMO, ASCO, NCCN) in monotherapeutic or combination treatment regimens for advanced gastric cancer. In Japan, irinotecan is approved for the treatment of metastatic gastric cancer.

Untapped market for oral formulations of irinotecan. Today, irinotecan is only available as high-dose intravenous infusion. Ascelia Pharma sees a significant and unmet medical need for new patient-friendly treatments that improve the life expectancy and quality of life for patients with gastric cancer.

Oncoral - an oral chemotherapy. Oncoral is a daily irinotecan tablet with the potential to offer better efficacy with improved safety following the daily dosing at home compared to intravenous high-dose infusions at the hospital.

Large unmet need to develop novel therapies

- 1 million new cases every year
- 3rd most common cause of cancer death
- Median survival less than one year
- Need for better and more optimal treatment options for late stage therapy



POTENTIAL BENEFITS OF DAILY DOSING

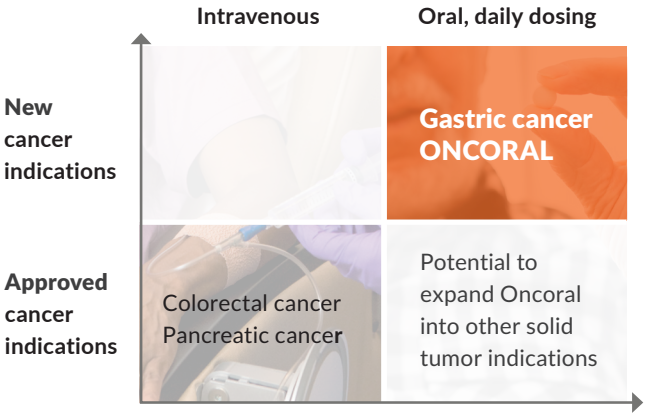
Oncoral is a novel daily irinotecan chemotherapy in development. Irinotecan chemotherapy has an established potent anti-tumor effect. Oncoral is a daily irinotecan tablet with the potential to offer better efficacy with improved safety following the daily dosing at home compared to intravenous high-dose infusions at the hospital.

Proven anti-cancer effect. The active substance in Oncoral is irinotecan, which has an established and proven effect in killing cancer cells. Irinotecan is a so-called antineoplastic agent that after metabolic activation inhibits the enzyme topoisomerase 1, thereby inducing cancer cell death via the prevention of their DNA replication. Irinotecan is converted by carboxylesterases, primarily in the liver, to the active metabolite SN-38 which is 100–1,000 more potent than irinotecan in killing tumor cells.

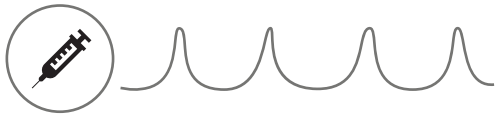
Potential to be the first oral version of irinotecan. Oncoral is a new patented oral tablet formulation of irinotecan, which enables a reliable release and efficient absorption of irinotecan from the gastro intestinal tract after oral administration. With oral administration, iriontecan can be given with low daily doses. This is very different from the current standard of giving a high intravenous doses every third week.

All-oral chemo combination. Oncoral has the potential to be combined with other chemotherapies and targeted cancer drugs and enable an all oral combination chemotherapy option with improved clinical outcomes.

ONCORAL - a novel formulation of irinotecan



TODAY – Intravenous bolus infusions



Infrequent high-dose IV irinotecan

- Gastrointestinal and hematological side effects
- Dose limiting toxicity: 30 percent severe or life-threatening (grade 3 or 4)

TOMORROW – Oncoral oral daily dosing

Potential – Frequent low-dose irinotecan

- Improved efficacy driven by pharmacokinetic profile
- Improved tolerability due to lower peak exposure with less severe side effects and manageable toxicity with flexible dosing

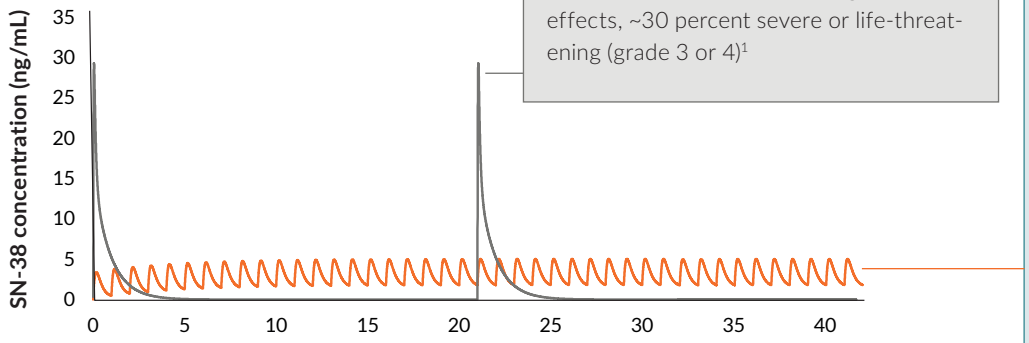
ONCORAL PHASE 1: ENCOURAGING RESULTS

Oncoral – potential to improve both efficacy and safety. Intravenous chemotherapy is often a trade-off between desired treatment effect and tolerability for the patient. With Oncoral as a daily irinotecan tablet there is a potential to improve both efficacy and tolerability compared to intravenous (IV) administration. In addition, it may offer convenience for the patient and at the same time reduce hospital costs with home administration.

Efficacy. The potential to improve efficacy is based on a fivefold higher conversion rate of irinotecan to the cytotoxic active metabolite SN-38 when dosed orally compared to an IV infusion. In addition, the principle of frequent, low daily dosing, also called metronomic dosing, may optimize the exposure of SN-38 and maximize the anti-tumor effect. Several studies provide proof of concept for metronomic dosing, including improved patient outcomes.

Safety. Conventional IV bolus administration of irinotecan is associated with toxicity. Most patients experience gastrointestinal and hematological side effects, of which approximately 30 percent are severe or life-threatening (grade 3 or 4, ref: Camptosar® prescribing information). Frequent low dosing, avoiding high peak plasma levels, may reduce toxicity and complications compared to high-dose IV infusions. Oral daily administration also brings the opportunity to adjust dosing quickly in case of acute toxicity.

Plasma levels of irinotecan



Infrequent high-dose IV irinotecan
Gastrointestinal and hematological side effects, ~30 percent severe or life-threatening (grade 3 or 4)[1]

Frequent (metronomic) low-dose irinotecan
- Several studies show improved tolerability[2,3]
- Daily dosing – adjust quickly if acute toxicity

Oncoral Phase 1 results
- Study of 39 patients with metastatic or unresectable solid tumors
- Study performed at Herlev hospital, Denmark
- **Safety:**
  Oncoral was well tolerated, no unexpected side-effects
  Hematological toxicities mild to moderate (grade 1 or 2)[4]
- **Efficacy**
  Stable disease even in patients previously treated with IV irinotecan

Source: Simulation of Oncoral vs. IV Camptosar

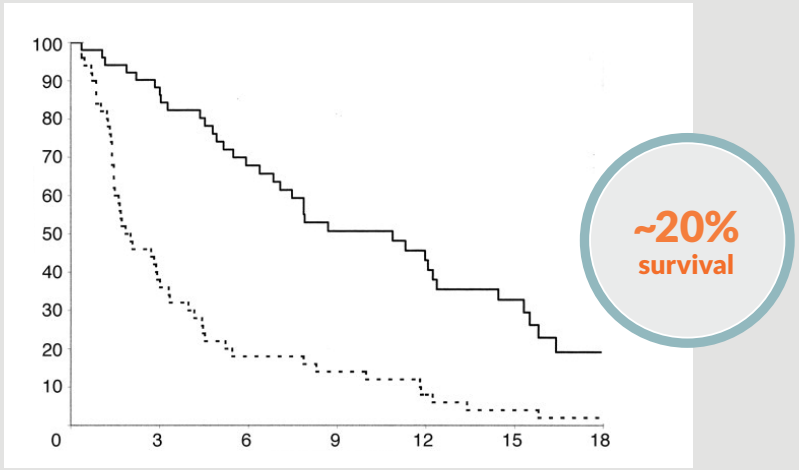
1) Camptosar prescribing information, 2) Furman et al 1999, 3) Perez et al 2004, and 4) Kumler et al 2018

IMPROVING EFFICACY BY FREQUENT LOW DOSING

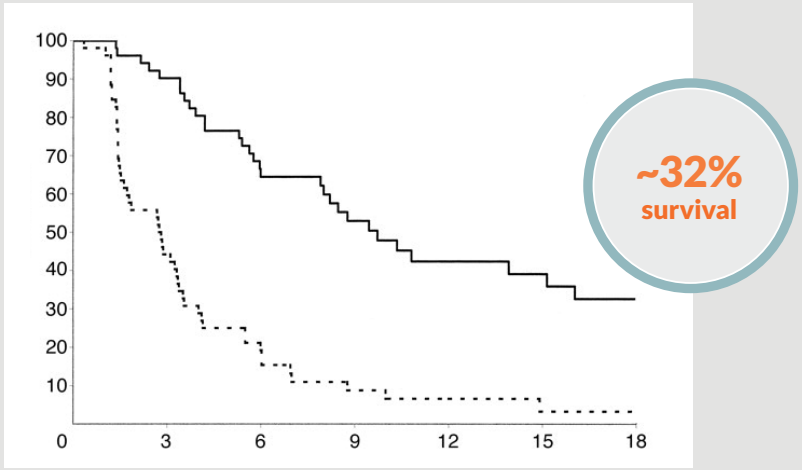
There are a number of non-clinical and clinical studies that provide proof-of-concept for metronomic/frequent low dosing of irinotecan, including improved patient outcomes. The study below in patients with metastatic refractory breast cancer illustrates improvement in overall survival by frequent low dosing. Overall survival improved from 20 percent with dosing every third week with high dose to 32 percent with weekly dosing with a slightly lower dose[1]. With Oncoral as a tablet, it will be possible with daily dosing.

OVERALL SURVIVAL: STUDY IN PATIENTS WITH METASTATIC REFRACTORY BREAST CANCER, N=103

Irinotecan dosing every 3 weeks (IV)



Irinotecan dosing weekly (IV)

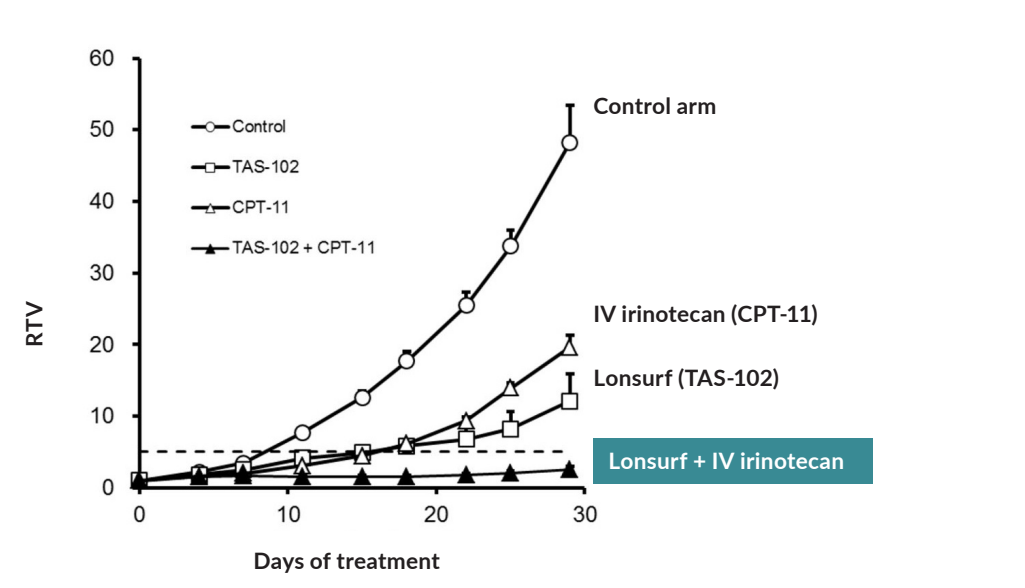


1) Perez et al. J Clin Oncol 2004: Randomized Phase II Study of Two Irinotecan Schedules for Patients With Metastatic Breast Cancer Refractory to an Anthracycline, a Taxane, or Both

POTENTIAL FOR SYNERGISTIC EFFECT

The planned Phase 2 study will address metastatic gastric cancer. In the study, Oncoral will be combined with Taiho Oncology's oral drug Lonsurf® that is used today for treating metastatic gastric cancer. The combination of irinotecan (the active substance in Oncoral) and Lonsurf has been tested in animal models, which showed that the combination almost stopped the tumor from growing and gave better results than administering them as monotherapies.

Efficacy study in an animal model of gastric cancer[1]
(Relative Tumor Volume, RTV)



Strong rationale for gastric cancer

- Large unmet medical need
- Clinical guidelines support efficacy of irinotecan
- Potential for Orphan Drug Designation
- Potential for synergistic effect between Lonsurf and irinotecan

1) Nukatsuka et al: Combination Chemotherapy Using TAS-102 and Irinotecan Hydrochloride, ANTICANCER RESEARCH 35: 1437-1446 015)

PHASE 2 STUDY DESIGN AND COLLABORATION

Phase 2 study design

PATIENTS	■ Around 100 patients ■ Metastatic gastric cancer
COMPARATOR	Oncoral + Lonsurf vs. Lonsurf
ENDPOINTS	**Primary:** Progression Free Survival **Secondary:** Response rate, Pharmacokinetics, Safety and Overall Survival data in a follow up analysis
STUDY PERIOD	2 - 2½ years, study start pending

Clinical collaboration with Taiho Oncology

- Clinical Phase 2 collaboration with Taiho Oncology Inc. (part of Otsuka Group)
- Taiho Oncology Inc. will supply Lonsurf and provide scientific expertise
- The collaboration may be extended for further development
- Ascelia Pharma retains full development and commercialization rights

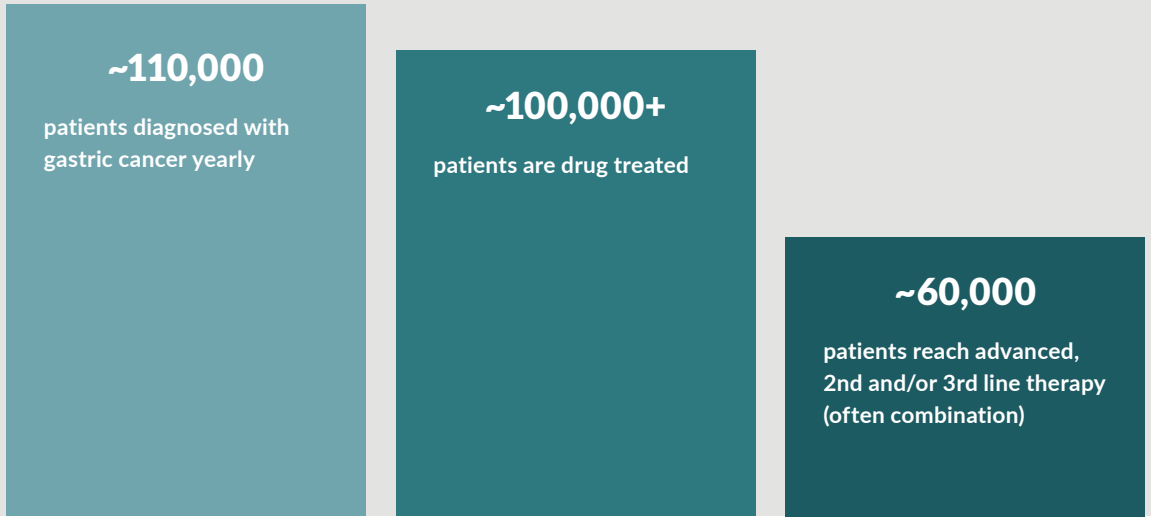
TAIHO ONCOLOGY

LONSURF® is approved for treatment of metastatic gastric cancer and metastatic colorectal cancer

A USD 3 BILLION ANNUAL GASTRIC CANCER MARKET

There continues to be a significant unmet medical need for better treatment options within gastric cancer. This translates into a commercial opportunity for treatment gastric cancer in excess of USD 3 billion on an annual basis. Many patients are diagnosed with gastric cancer every year, but the geographical spread is uneven. In United States and in Europe, it is a rare cancer type that allows for an Orphan Drug Designation. In Asia, it is unfortunate a highly prevalent disease in comparison.

US and EU target patent population (orphan disease)



Other key markets

Japan and South Korea have high prevalence and high diagnosis rates (~150,000 diagnosed patients/year)

China is the country in the world with the highest number of gastric cancer patients (~400,000 diagnosed patients/year)

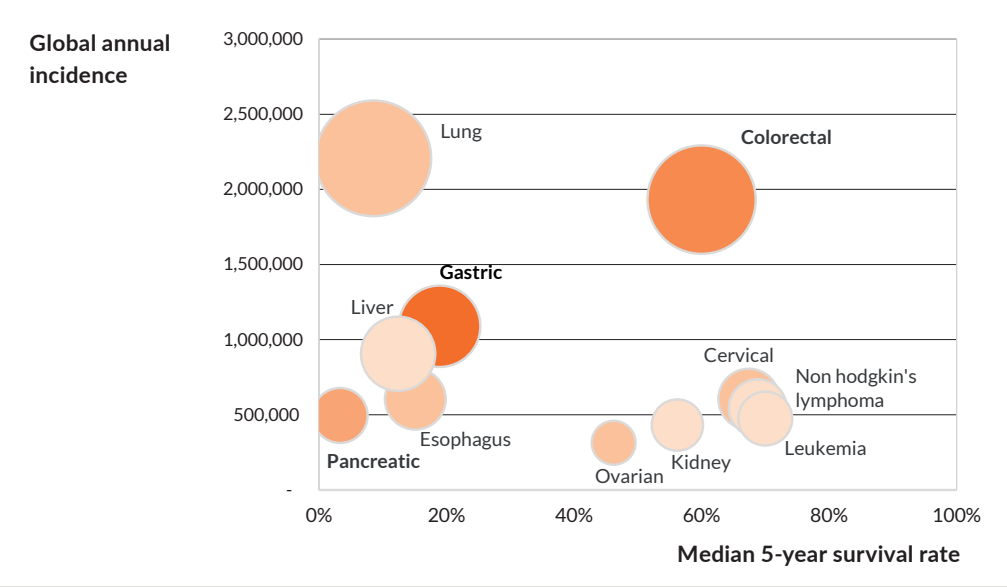
... other markets (~400,000 diagnosed patients/year)

OPPORTUNITIES IN OTHER CANCER FORMS

Beyond gastric cancer, there is potential for subsequent label expansion into other solid tumor indications. Within colorectal and pancreatic cancer, irinotecan for intravenous administration is already approved for use in Europe and the US. Apart from these indications, there are also other cancer forms where irinotecan has been clinically demontrated and recognized.

Potential for oral, daily dosing of irinotecan[1]

- Current focus: Gastric cancer
  - 3rd highest cancer deaths[2]
  - Orphan opportunity (US and EU)
  - USD 3 billion annual market[3]
- Approved indications for IV irinotecan infusions
- Indications for which IV irinotecan infusions are clinically demonstrated & NCCN guidelines recognized
- Indications for which IV irinotecan infusions are clinically demonstrated



1) Globocan 2020, WHO, Cancer Research UK
2) International Agency for Research on Cancer (IARC, 2021)
3) GlobalData - Gastric and Gastroesophageal Junction Adenocarcinoma – Global Drug Forecast and Market Analysis to 2024

SHAREHOLDER INFORMATION

Ascelia Pharma AB (publ) is listed on Nasdaq Stockholm under the ticker ACE. On 31 December 2024, the company had 96,106,032 registered common shares and 1,087,121 C-shares with 1/10 voting rights (C-shares are held by Ascelia Pharma AB).

Share performance and market cap

In 2024, Ascelia Pharma's share price increased by 25 percent. The market value of Ascelia Pharma at 31 December 2024 was SEK 0.3 billion.

In 2024, 148.6 million shares were traded on all marketplaces. The average number of shares traded per day in 2024 was approx. 0.6 million.

Ownership structure

The five largest shareholders as of 31 December 2024 had a total of 23 percent of the capital and 23 percent of the votes. Around 4 percent of shares are held directly or indirectly by Management and Board members.

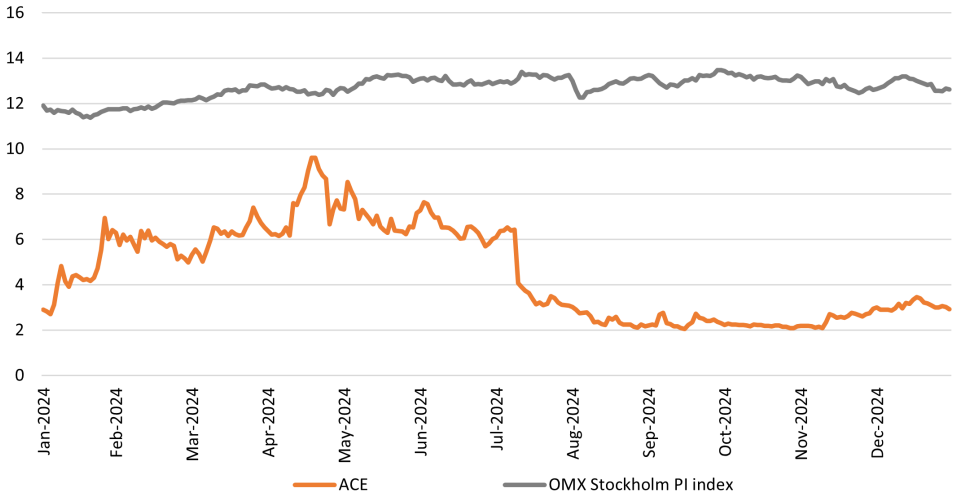
Financial information

Ascelia Pharma publishes four interim reports and an annual report. The reports are available to read and download from the website of Ascelia Pharma, www.ascelia.com.

2025 Annual General Meeting

The AGM of Ascelia Pharma AB (publ) will be held on 7 May 2025.

Share price development (OMX Stockholm indexed to ACE)



Equity analysts:

Ascelia Pharma is covered by Carnegie and Redeye.

10 LARGEST SHAREHOLDERS PER 31 DEC 2024	No. of shares	% of capital	% of votes
Avanza Pension	9,148,509	9.4%	9.5%
Fourth Swedish National Pension Fund (AP4)	4,644,266	4.8%	4.8%
ÖstVäst Capital Management	3,394,440	3.5%	3.5%
Nordnet Pensionsförsäkring	2,987,752	3.1%	3.1%
Mats Thorén	2,080,476	2.1%	2.2%
Oscar Ahlgren	1,503,700	1.6%	1.6%
Kibegeon ApS	1,340,457	1.4%	1.4%
Connys Alltransporter AB	1,230,000	1.3%	1.3%
Spogård Holding ApS	1,070,243	1.1%	1.1%
Salén Group	1,065,821	1.1%	1.1%
Other holders of common shares	67,640,368	70.4%	69.6%
Total common shares	96,106,032	98.9%	99.9%
C-shares (held by Ascelia Pharma), 1/10 voting rights	1,087,121	1.1%	0.1%
TOTAL NUMBER OF SHARES	**97,193,153**	**100%**	**100%**

DIRECTORS' REPORT

The Board and the CEO of Ascelia Pharma AB (publ), (Ascelia Pharma), based in Malmö, Sweden corporate ID no. 556571-8797 hereby submit the annual report and consolidated financial statements for the fiscal year 2024-01-01 – 2024-12-31 for the Group and the Parent company.

Ownership structure

Ascelia Pharma AB (publ) is listed on Nasdaq Stockholm. The largest shareholders per 31 December 2024 were Avanza Pension with 9,148,509 shares (9.4 percent of total shares) followed by Fourth Swedish National Pension Fund (AP4) with 4,644,266 shares (4.8 percent) and ÖstVäst Capital Management with 3,394,440 shares (3.5 percent).

ASCELIA PHARMA'S BUSINESS

Ascelia Pharma is a biotech company focused on orphan oncology treatments. We develop and commercialize novel drugs that address unmet medical needs and have a clear development and market pathway. The company has two drug candidates in development.

About Orviglance

Orviglance (manganese chloride tetrahydrate) is a first-in-class oral contrast agent for MR-imaging developed to improve the detection and visualization of focal liver lesions (including liver metastases and primary tumors) in patients with impaired kidney function. These patients are at risk of serious side effects from the currently available class of gadolinium-based contrast agents. Orviglance, which has been granted an Orphan Drug Designation by the US Food and Drug Administration (FDA), has in the pivotal Phase 3 study, successfully met the primary endpoint and demonstrated that the company's magnetic resonance imaging (MRI) contrast agent, Orviglance significantly improved the visualization of focal liver lesions compared to unenhanced MRI. The New Drug Application (NDA) is expected submitted mid-2025.

About Oncoral

Oncoral is a novel irinotecan chemotherapy tablet developed initially for the treatment of gastric cancer. Irinotecan chemotherapy has an established potent anti-tumor effect. Oncoral is a daily tablet with the potential to offer better patient outcomes with improved safety following the daily dosing at home compared to intravenous high-dose infusions at the hospital. Following successful Phase 1 results, Oncoral is now prepared for Phase 2 clinical development.

The year in brief

In February, a financing of SEK 35 million was secured, of which SEK 15 million was convertibles and SEK 20 million was a loan.

The SPARKLE image re-evaluation by the independent readers was completed in April according to plan. In early May, the results of the pivotal Phase 3 study, SPARKLE were announced, meeting its primary endpoint and demonstrating that Orviglance, significantly improved visualization of focal liver lesions compared to unenhanced MRI. The results for all three readers were highly statistically significant (P-values <0.001).

In July, Ascelia announced a Rights Issue of units, consisting of ordinary shares and warrants, of approximately SEK 105 million before issue costs, with subscription undertakings and guarantee commitments of SEK 70 million. The Rights Issue was mainly carried out to secure the resources required to finalize the NDA for Orviglance to the FDA and to secure partnerships for the market launch of Orviglance. In September we announced the final outcome with a fully subscribed Rights Issue of SEK 105 million where no guarantee commitments were executed.

In October, we announced acceptance of Orviglance presentation at several prestigious scientific conferences. Primary results from the Orviglance SPARKLE study was accepted and presented as cutting-edge oral presentation at RSNA 2024. Orviglance SPARKLE data was presented as late breaking abstract at Kidney Week 2024. Two abstracts with SPARKLE data was accepted for presentation at SAR congress 2025

In October, Marianne Kock was elected to the Board of Directors.

In December, a patent was granted in China for second generation Orviglance.

Multi-year overview, Group

Financials key ratios for the Group

SEK thousands	2024	2023	2022
Net sales	-	-	-
Operating result	-67,766	-110,914	-147,007
Net result	-80,029	-109,288	-131,223
Earnings per share (SEK)	-1.48	-3.24	-3.77
R&D costs/operating costs (%)	74%	72%	80%
Cash flow used in operating activities	-62,844	-126,792	-125,263
Equity	78,944	74,328	180,859
Liquid assets incl. marketable securities	75,256	21,855	149,555

FINANCIAL OVERVIEW 2024

EARNINGS AND PROFITABILITY

Net sales and other operating income

The Group's net sales during 2024 (Jan-Dec) amounted to SEK 0 (SEK 0). Ascelia Pharma does not expect to recognize revenue before products have been launched on the market. Other operating income totalled SEK 0.5 million (SEK 1.6 million). The income refers to exchange rate gains.

Research and development costs (R&D)

R&D costs for the Group during 2024 amounted to SEK 50.8 million (SEK 81.3 million). The cost decrease of SEK 30.5 million reflects the completion of SPARKLE patient recruitment activities and the reduced organization.

Commercial preparation costs

During 2024, a positive result of SEK 0.7 million (SEK 10.4 million cost) was recognized. The positive effect is related to cost savings for employees as well as the reduced activity related to commercial preparations.

Administration costs

Administration costs for the Group in 2024 amounted to SEK 18.0 million (SEK 19.8 million). The cost decrease is mainly related to costs for employees.

Operating results

The full year 2024 show an operating result of SEK -67.8 million (SEK -110.9 million). The decreased loss mainly reflects the implemented cost-cutting initiatives to complete the Phase 3 data read-out.

Net profit/loss for the period

The Group's net loss in 2024 amounted to SEK -80.0 million (SEK -109.3 million). A net financial loss of SEK -12.4 million was recognized, which reflects interest and arrangement fee expenses related to loans as well as a loss of -5.8 millions related to a change of value in TO1 warrants which has no cash impact. The net loss corresponds to a loss per share, before and after dilution, of SEK -1.48 (SEK -3.24).

CASH FLOW

Cash flow from operating activities before changes in working capital in 2024 amounted to SEK -66.4 million (SEK -105.0 million). The decreased outflow reflects the lower level of activities following the completion of clinical development for Orviglance. Cash flow from investing activities amounted to SEK 0 (inflow of SEK 47 thousand). Cash flow from financing activities totalled an inflow of SEK 115.2 million (outflow of SEK -0.9 million). The inflow during the period is attributable to loans received and the net cash from the completed Rights Issue.

FINANCIAL POSITION

On the closing date, equity amounted to SEK 78.9 million, compared with SEK 74.3 million per 31 December 2023. The increase since 31 December 2023 reflects the issuance of shares. With the net proceeds from the issuance, liquid assets amounted to SEK 75.3 million on the closing date, compared to SEK 21.9 million per 31 December 2023.

The Rights Issue launched on 10 July 2024 was completed with a fully subscribed SEK 105 million. No guarantee commitments were executed.

The financing announced on 4 February 2024 consisted of a loan and convertible financing of SEK 35 million. As part of the Rights Issue, a SEK 7.5 million partial repayment of the outstanding amount under the convertibles issued to Fenja Capital II A/S (Fenja) was carried out. The Company has also issued new convertibles to Fenja for a total nominal amount of SEK 7.5 million by offsetting the corresponding amount outstanding under the convertibles issued in February 2024.

The Rights Issue was carried out to secure the resources required to finalize the NDA for Orviglance to the FDA and to secure partnerships for the market launch of Orviglance. With the fully subscribed Rights Issue and the remaining loan and convertibles issued to Fenja, the company has a cash runway to late 2025, well beyond the NDA submission. This cash runway excludes the repayment of the remaining SEK 27.5 million loans to Fenja but can be extended with financing from warrants and partnering. The proceeds from the issued warrants series TO 1 can provide up to SEK 45 million additional financing in April 2025. Depending on the warrants exercise outcomes, the terms of an Orviglance partnering agreement and the business goals into 2026 and beyond, additional financing may be required to secure the continued operations into 2026 and forward.

RISK AND RISK MANAGEMENT

Changes in our business environment and unexpected outcomes from operations can have a negative impact – pose a risk – on our reputation, results and value. Managing risks regularly and systematically is key to our value creation and value protection over time. We do this by anticipating and mitigating risks – to the extent possible and reasonable – to limit the likelihood of events occurring and limit undesirable impacts on Ascelia Pharma.

As risks are constantly changing and cannot be eliminated, risk and scenario assessments are part of our recurrent strategy and business planning processes. Management and the Board of Directors review the risk profile of Ascelia Pharma regularly.

Our risk review consists of identifying key risks within a timeframe of 2 years. The likelihood of each key risk is assessed along with its potential impact on the results or long-term value of Ascelia Pharma e.g., expressed as delays, additional costs or impact on the value of an asset. Operational mitigating measures – management respose – that can reduce the likelihood of the risk occurring or the impact on Ascelia Pharma are identified and implemented.

ASCELIA PHARMA GROUPS KEY RISKS INTO FOUR CATEGORIES

- RESEARCH & DEVELOPMENT
- OPERATIONS & COMPLIANCE
- BUSINESS ENVIRONMENT & COMMERCIALIZATION
- FINANCE & MACRO ENVIRONMENT

Risk management is an integrated part of management processes

Risk category	Description	Key risks	Management response
Research & development	Our vision is to be a leader in identifying, developing and commercializing novel drugs that address unmet needs of people with rare cancer conditions. With two products in product development, progressing R&D projects is critical for the value creation of Ascelia Pharma. Unexpected outcomes of major non-clinical, clinical and CMC studies or regulatory processes can lead to both significant delays and to failed feasibility to progress product development.	▪ Failure to reach clinical study endpoints or regulatory approval ▪ Substantial delay or cost increase of key development projects	▪ Portfolio of assets and target product profiles is selected and maintained based on above average industry likelihood of success ▪ Clinical studies are designed based on established methodologies and input from experts and regulatory authorities ▪ Appropriate skills are secured internally or though optimal vendor selection and governance
Operations & compliance	The successful business operations is dependent on Ascelia Pharma and 3rd parties conducting business or delivering services according to agreed terms and current legal, regulatory, quality and IT security standards. Disriptions can lead to to significant costs, delays and impact our reputation. As a small team in a knowledge-based industry, our human resources are key to business results. An inability to attract and retain engaged and qualified personnel can lead to loss of knowledge, capabilities and performance, which would impact quality and progress of key deliverables.	▪ Major disruption of operations ▪ Inability to attract and retain engaged key personnel	▪ A culture of quality and compliance with procedures for handling critical events is established and maintained ▪ Appropriate selection and governance of critical vendors is established and regularly evaluated ▪ IT infrastructure security and related processes are in place and continuously monitored and developed ▪ Team engagement is fostered by strong culture and market based remuneration
Business environment & commercialization risks	Changes in the political, economic or healthcare environment can impact commercial and partnering opportunities and the value of Ascelia Pharma assets. These changes can include new recommendations from payers or medical bodies for management of a target patient population, or new competitor drugs addressing the same target population or unmet need. The success and terms of a partnering can also be impacted by market developments.	▪ Reduced payer willingness to support targeted price or access ▪ Unfavorable significant changes in regulatory or medical guidelines ▪ New competitor entry ▪ Success of partnering limited by terms or outcomes	▪ Portfolio strategy is established with focus on assets with the potential to address clear unmet needs for a well-defined patient population ▪ External insights (from experts, external research and market monitoring) regarding patents, R&D and market conditions, are incorporated into clinical, regulatory and commercial strategy development and scenario planning ▪ Partnering and out-licensing opportunities are continuously evaluated, and strategic options maintained

Finance & macro environment	Ascelia Pharma is a pre-revenue emerging pharma and therefore dependent on securing financing from external sources to fund development programs and operations. Financing options and cost of capital are impacted by dynamics in our macroeconomic environment. Other changes in our macro environment, including currency fluctuations and geopolitical events, can impact our ability to execute business plans and secure financing, or the value of our assets.	▪ Lack of adequate financing for continuing growth ▪ Significant currency depreciation impacting financial situation ▪ Substantial business disruption from macro events	▪ Long and short term plans for pursuing a variety of financing and strategy options are established ▪ Diligent business planning and budget management is in place to manage investment according to value creation ▪ Currency exposure is managed according to finance policy ▪ Macroenvironment risks are considered in exposure to e.g. geographical dependencies on vendors and other 3rd parties ▪ Changes in our business environment are monitored and procedures for handling critical events established

OTHER INFORMATION

Employees

The number of full-time employees as of 31 December 2024 amounted to 11 (13) for both the Group and the Parent company (average 11 employees in 2024 and 23 in 2023). In addition to the employees, Ascelia Pharma utilizes consultants and experts for clinical studies regulatory affairs, manufacturing, intellectual property rights as well as support functions.

Significant events after the end of the financial year

Refer to note 28 in this Annual Report for significant events after the reporting period.

PARENT COMPANY

Ascelia Pharma AB (publ) fully owns all the companies in the Group. The equity/assets ratio on the closing date was 66 percent (91 percent). Equity amounted to SEK 121M (SEK 112M). Liquid assets amounted to SEK 74 million (SEK 8 million). The company had 11 employees on the closing date.

Total number of shares

The total number of outstanding common shares as of 31 December 2024 was 96,106,032 and number of C-shares was 1,087,121 as of 31 December 2024. All shares in Ascelia Pharma are fully paid and have a quota value of SEK 1. There are no restrictions on the right to freely transfer the company's shares.

Sustainability

Our vision is to address unmet needs and to provide better treatment options for people with rare cancer conditions. Being a responsible, sustainable company in our business operations and relationships with employees and stakeholders is part of driving our vision towards long-term growth and value creation and it is an integral part of our shared values of focus, courage and integrity.

At Ascelia Pharma we support the 2030 Agenda and Sustainable Development Goals (SDGs) by the United Nations. We are focused on the SDGs where we can contribute most to driving positive change. Selected UN SDGs together with our core values guide sustainability at Ascelia Pharma, including promoting good health and well being (SDG 3), decent work and economic growth (SDG 8), responsible consumption and production (SDG 12).

Given the current size of the company, no sustainability report for 2024 has been established.

Board activities

The Board has adopted a set of working procedures, instructions and a number of policies that define the allocation of responsibilities between the Board, the President and CEO, committees appointed by the Board and Group management. The Board has ultimate responsibility for the Group's operations and organization and ensures that the duties of the President and CEO as well as financial operations are carried out in compliance with established principles. The Board held 11 minuted meetings during 2024.

From its membership, the Board has appointed an audit committee, a remuneration committee and a commercialization committee. During the year, the audit committee held eight meetings, the remuneration committee held six meetings and commercialization committee held no meetings.

Authorization to the board of directors regarding new issues of securities and repurchases

For authorizations granted by the Annual General Meeting to the Board of Directors, reference is made to p.44 of the Corporate Governance Report.

Guidelines for remuneration

The guidelines for remuneration to senior management is described in the Corporate Governance section and in note 7 in this Annual Report.

Proposed appropriation of the company's result:

The following amounts (SEK) in the Parent Company are at the disposal of the AGM: Board of Directors proposes that SEK 23,795,657 is carried forward.

	SEK
Share premium reserve	721,749,622
Retained earnings	-622,122,943
Net income (loss) for the period	-75,831,022
Summa	**23,795,657**

Dividend policy

Up to now, Ascelia Pharma has not paid any dividends and Ascelia Pharma's intention is to continue to focus on further development and expansion of the company's project portfolio. In accordance with the dividend policy adopted by the Board of Directors, available financial resources and any reported results shall therefore be reinvested in the business to finance the company's long-term strategy. Hence, the Board of Directors' intention is not to propose a dividend to shareholders before the company is able to generate a long-term sustainable profitability and a long-term sustainable positive cash flow. Any future dividends and the size thereof will be determined based on the company's long-term growth, earnings trend and capital requirements, taking into account, at all times applicable, objectives and strategies. Dividends shall, in so far as dividends are proposed, be well-balanced with respect to the company's objectives, scope and risk.

CORPORATE GOVERNANCE REPORT

Corporate Governance in Ascelia Pharma

Ascelia Pharma is a Swedish public limited liability company with its registered office in Malmö, Sweden. The company's corporate governance is based on Swedish law and internal rules and procedures. Ascelia Pharma also follows Nasdaq Stockholm's Rule Book for Issuers and apply the Swedish Corporate Governance Code (the "Code"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden. The Code is based on the so-called "comply or explain" principle. This means that a company that applies the Code may choose to deviate from certain rules of the Code, but must then describe its alternative solution and explain the reason for the deviation in its annual corporate governance report. This corporate governance report has been drawn up in accordance with the rules in the Annual Accounts Act and in the Code.

Annual General Meeting

According to the Swedish Companies Act (2005:551), the Annual General Meeting is the company's highest decision-making body. At the Annual General Meeting, the shareholders exercise their voting rights in key issues, such as changes to the articles of association, the election of the board of directors and auditors, adoption of the income statement and balance sheet, discharge from liability of the Board of Directors and the CEO, the appropriation of profit or loss and the principles for the appointment of the nomination committee. The Annual General Meeting (AGM) must be held within six months from the end of the financial year.

In addition to the annual general meeting, extraordinary general meetings may be convened. According to the articles of association, notices convening the general meetings are to be published in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. Information regarding the notice shall at the same time be advertised in Svenska Dagbladet. General meetings in Ascelia Pharma are held in Malmö.

Right to attend AGMs

To attend and vote at the Annual General Meeting, either in person or through a proxy, shareholders must be registered in the share register kept by Euroclear Sweden AB five business days prior to the meeting and also register their participation to the company no later than on the date specified in the notice convening the meeting. This date cannot be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth business day prior to the meeting. Shareholders who wish to have a specified matter brought before the general meeting must submit a written request to the company's Board of Directors. Such request must normally have been received by the board of directors no later than seven weeks before the Annual General Meeting.

Annual General Meeting 2024

At the Annual General Meeting held on 6 May 2024, Peter Benson was re-elected as Chairman of the Board and Niels Mengel, Helena Wennerström, Lauren Barnes and Hans Maier were re-elected as board members. Furthermore, Öhrlings PricewaterhouseCoopers AB was re-elected as auditor.

The Annual General Meeting resolved on fees to the Board of Directors and the auditors. The Annual General Meeting also resolved on an authorization for the Board of Directors to issue shares, on a share-based incentive program for employees as well as on an authorization for the Board of Directors on transfers of own ordinary shares.

Extraordinary General Meetings 2024

In addition to the Annual General Meeting, two Extraordinary General Meetings (EGM) were held during the year. In August 2024, an EGM was held where it was resolved to carry out a Rights Issue of units. At the EGM held in October 2024, Marianne Kock was elected as a new member of the Board of Directors.

Annual General Meeting 2025

The Annual General Meeting (AGM) of Ascelia Pharma AB (publ) will be held on 7 May 2025.

Shareholders

On 31 December 2024, the five largest shareholders controlled around 23 percent of the capital and 23 percent of the votes. The largest shareholder controlling 9.4 percent of the capital and 9.5 percent of the votes were Avanza Pension. On 31 December 2024, the number of common shares was 96,106,032 and the number C-shares, that has one-tenth of a vote per share, amounted to 1,087,121. Each common share entitles the holder to one vote and there are no limitations as to the number of votes each shareholder can cast at a general meeting.

Nomination Committee

The duties of the Nomination Committee include the preparation and drafting of proposals regarding the election of members of the Board of Directors, the chairman of the Board of Directors, the chairman of the general meeting and auditors. The Nomination Committee shall also propose fees for board members and the auditor. The composition of the Nomination Committee is publicly announced at least six months ahead of the AGM.

According to the instructions and rules of procedure for the Nomination Committee, the Nomination Committee shall consist of four members representing the three largest shareholders per the end of September, together with the chairman of the Board of Directors. The three largest shareholders are considered to be the three largest shareholders as registered with Euroclear Sweden AB.

In accordance with the adopted instructions, the Nomination Committee in front of the 2025 Annual General Meeting is comprised of the following persons:

- Jørgen Thorball, chairman of the Nomination Committee, appointed by Mats Thorén;
- Håkan Nelson, appointed by Niels Mengel; (through own holdings and holdings via Kibgeon ApS)
- Lars Vedin, appointed by Oscar Ahlgren; and
- Peter Benson, chairman of the Board of Directors.

The Board of Directors

After the general meeting, the Board of Directors is the highest decision-making body. According to the Swedish Companies Act, the Board of Directors is responsible for the organization and management of the company's affairs, which means that the Board of Directors is responsible for, among other things, establishing targets and strategies, securing procedures and systems for monitoring of set targets, continuously assessing the company's financial position and evaluating the operational management. Furthermore, the Board of Directors is responsible for ensuring that proper information is given to the company's shareholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. Moreover, the Board of Directors is responsible for ensuring that annual reports and interim reports are prepared in a timely matter. The Board of Directors also appoints the company's CEO.

The members of the Board of Directors are elected annually at the annual general meeting for the period until the end of the next annual general meeting. According to the Ascelia Pharma's articles of association, the Board of Directors shall consist of no less than three and no more than eight board members without any deputy board members. The articles of association do not include any separate provisions regarding appointment or dismissal of board members. Currently, the Board of Directors consists of five ordinary board members elected by the general meeting, who are presented in the section Board of directors on pages 46-47 in this Annual Report.

According to the Code, the chairman of the Board of Directors is to be elected by the general meeting. The role of the chairman is to lead the Board of Directors work and to ensure that the work is carried out efficiently, and that the Board of Directors fulfils its obligations.

Board's procedures

The Board of Directors adheres to written rules of procedure which are revised annually and adopted at the constituent board meeting. The rules of procedure regulate, among other things, the practice of the Board of Directors, tasks, decision-making within the company, the Board of Directors meeting agenda, the chairman's duties and allocation of responsibilities between the Board of Directors and the CEO. Instruction for financial reporting and instructions for the CEO are also adopted in connection with the constituent board meeting. The Board of Directors work is also carried out based on an annual briefing plan which fulfils the Board of Directors need for information. The chairman and the CEO maintain, alongside the board meetings, an ongoing dialogue on the management of the company.

The Board of Directors meets according to a pre-determined annual schedule and in addition to the constituent board meeting, at least six ordinary board meetings shall be held between each annual general meeting. In addition to these meetings, extra meetings can be arranged for processing matters which cannot be referred to any of the ordinary meetings.

Board of Directors' work and meetings in 2024

The Board of Directors had 11 meetings in 2024. In addition to decisions concerning external financial reporting, budget and financial forecasts, the board's work during 2024 have primarily comprised matters related to the Phase 3 study for Orviglance, and financing strategies. The board has evaluated its work to improve the work procedures and enhance efficiency. Conclusions of the work are presented to the nomination committee.

Reporting period 1 January 2024 - 31 December 2024

		Independent in relation to		Remuneration, TSEK					Attendance (attendance in relation to total meetings)			
Board member	**Function**	**The company and its management**	**Major shareholders**	**Board fees**	**Audit Committee**	**Remuneration Committee**	**Commercialization Committee**	**Total**	**Board of Directors**	**Audit Committee**	**Remuneration Committee**	**Commercialization Committee**
Peter Benson	Chariman	Yes	Yes	525	–	25	–	550	21/22	_	6/6	–
Lauren Barnes	Board member	Yes	Yes	273	–	–	–	273	21/22	_	_	–
Marianne Kock[1)]	Board member	Yes	Yes	44	–	4	–	48	4/4	–	1/1	–
Hans Maier	Board member	Yes	Yes	263	–	–	–	263	22/22	_	_	–
Niels Mengel	Board member	Yes	Yes	263	25	50	–	338	22/22	8/8	6/6	–
Helena Wennerström	Board member	Yes	Yes	263	100	–	–	363	21/22	8/8	–	–
Total				**1,629**	**125**	**79**	**–**	**1,833**				

1) Marianne Kock was elected in October 2024.

Board committees

The Board of Directors has set up three committees: the Audit Committee, the Remuneration Committee and the Commercialization Committee. The Board of Directors has adopted rules of procedure for all committees.

Audit Committee

The Audit Committee is comprised of Helena Wennerström (chair) and Niels Mengel. The Audit Committee's role is mainly to monitor the company's financial position, to monitor the effectiveness of the company's internal control and risk management, to be informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence. The Audit Committee shall also assist the Nomination Committee in proposals for decisions on the election and remuneration of the auditor. The Audit Committee had eight meetings in 2024.

Remuneration Committee

The Remuneration Committee is comprised of Niels Mengel (chair), Marianne Kock and Peter Benson. The Remuneration Committee's role is primarily to prepare matters regarding remuneration and other terms of employment for the CEO and other senior executives. The Remuneration Committee shall also monitor and evaluate ongoing and completed programs for variable remuneration to the company's management and to monitor and evaluate the implementation of the guidelines for remuneration to senior executives which the annual general meeting has adopted. The Remuneration Committee had six meetings in 2024.

Commercialization Committee

The Commercialization Committee is comprised of Lauren Barnes (chair), Marianne Kock, Peter Benson and Hans Maier. The Commercialization Committee's role is primarily to prepare resolutions to be adopted by the Board pertaining to matters regarding overall commercialization plans and key commercialization decisions of products within Ascelia Pharma. The committee also oversees launch readiness and oversee that commercialization capabilities are available timely and adequately according to agreed plans. The Commercialization Committee had no meetings in 2024.

The CEO and other senior executives

The role of the CEO is subordinate to the Board of Directors and the CEO's main task is to carry out the company's ongoing management and the daily activities of the company. The rules of procedure of the Board of Directors and the instructions for the CEO stipulate which matters the Board of Directors shall resolve upon, and which matters that fall within the CEO's area of responsibility. Furthermore, the CEO is responsible for preparing reports and necessary information for decision-making prior to board meetings and presents the material at board meetings.

Ascelia Pharma has a management team consisting of six people which in addition to the CEO is comprised of the Deputy CEO, Chief Scientific Officer, VP Product Development & Supply and IT, VP Regulatory Affairs & QA and VP Clinical Development. The CEO and the senior executives are presented in the section Management on pages 48-49 in this Annual Report.

Remuneration

Remuneration to the Board

Fees to board members elected by the general meeting are resolved by the annual general meeting. At the annual general meeting held on 6 May 2024, it was resolved in accordance with the proposal from the Nomination Committee that board remuneration for the period until the annual general meeting in 2025 shall be paid with SEK 525,000 to the chairman of the board and with SEK 262,500 to each of the other board members who are not employed by the company. The meeting further resolved in accordance with the proposal from the Nomination Committee that remuneration for committee work shall be paid with SEK 100,000 to the chairman of the Audit Committee, 100,000 to the chairman of the Commercialization Committee and 50,000 to the chairman of the Remuneration Committee. To each of the other members of the Audit Committee, the Commercialization Committee and the Remuneration Committee, it was resolved that remuneration of SEK 25,000 would be paid. It was furthermore resolved that, in addition to the above, board members residing outside of Europe shall be paid additional board remuneration with SEK 10,000 per physical board meeting attended.

Guidelines for remuneration to senior executives

Scope and applicability of the guidelines

These guidelines comprise the persons who are part of the group management, currently the CEO, CSO, Deputy CEO, VP Product Development & Supply and IT, VP Regulatory Affairs & QA and VP Clinical Development. The guidelines also encompass any remuneration to members of the board of directors, in addition to board remuneration. These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. These guidelines do not apply to any remuneration resolved by the Annual General Meeting, such as e.g. board remuneration and share-based incentive programs.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

A successful implementation of Ascelia Pharma's business strategy and safeguarding of Ascelia Pharma's long-term interests, including its sustainability, require that the company is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. In order to achieve this, Ascelia Pharma must offer a competitive total remuneration on market terms, which these guidelines enable.

Long-term share-based incentive programs have been implemented in Ascelia Pharma. For further information about these programs, see note 7 in this Annual Report. The share-based incentive programs have been approved by the general meeting and are therefore not covered by these guidelines.

Types of remuneration, etc.

The remuneration shall be on market terms and be competitive and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on factors such as competence, area of responsibility and performance. Additionally, the general meeting may – irrespective of these guidelines – resolve on, e.g., share and share price-related remuneration.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, considering, to the extent possible, the overall purpose of these guidelines.

Fixed salary

The CEO and other senior executives shall be offered a fixed annual cash salary. The fixed salary shall as a starting point be determined per calendar year with salary revision on an annual basis.

Variable cash remuneration

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Ascelia Pharma's business strategy and long-term interests, including its sustainability. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. Variable cash remuneration may, for the CEO, amount to a maximum of 40 percent of the fixed annual salary, and for other senior executives, and a maximum of 30 percent of the fixed annual salary. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as revenue targets, operating result targets and budget adherence, or non-financial, such as clinical study milestones and manufacturing milestones. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Ascelia Pharma's financial and operational development, they contribute to the implementation of the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The board of directors shall have the possibility to, in whole or in part, reclaim variable cash remuneration paid on incorrect grounds.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 30 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the Remuneration Committee.

Pension benefits
Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bar-gaining agreements. Pension premiums for defined contribution pensions may amount to a maximum of 30 percent of the fixed annual salary.

Other benefits
Other benefits may include life insurance, medical insurance and a company car. Premiums and other costs relating to such benefits may amount to a total of not more than 20 percent of the fixed annual salary

Termination of employment and severance payment
Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment by Ascelia Pharma, the notice period may not exceed 12 months. Fixed salary and other remuneration during the notice period and severance pay may not together exceed an amount corresponding to the fixed annual salary for 18 months. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay.

In addition to fixed salary during the period of notice and severance pay, additional remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed senior executive is not entitled to severance pay for the period for which the non-compete undertaking applies. The remuneration shall be based on the fixed annual salary at the time of termination of employment and amount to not more than 60 percent of the fixed annual salary at the time of termination of employment, save as otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete under-taking applies, however not for more than 12 months following termination of employment.

Salary and employment conditions for employees
In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Ascelia Pharma have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultancy fees to the members of the Board of Directors
To the extent a member of the Board of Directors renders services for the company, in addition to his or her assignment as a member of the Board of Directors, an additional consultancy fee on market terms may be paid to the member of the Board of Directors, or to a company controlled by such member of the Board of Directors, provided that such services contribute to the implementation of Ascelia Pharma's business strategy and the safeguarding of Ascelia Pharma's long-term interests, including its sustainability.

Preparation and decision-making progress
The board of directors has established a Remuneration Committee. The Remuneration Committee's duties include i.a. preparing the Board of Directors resolution to propose guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent in relation to the company and its senior management. The CEO and other members of the senior management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from these guidelines
The Board of Directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

Information regarding resolved remunerations that have not yet fallen due
Apart from the commitments to pay ongoing remuneration such as salary, pension and other benefits, there are no previously resolved remuneration to any senior executives that have not yet fallen due. For further information on remuneration to senior executives including share-based incentive programs, please see note 7 in this annual report.

Authorization to the board of directors regarding new issues of securities and repurchases of shares
At the Annual General Meeting held on 6 May 2024, it was resolved to authorize the Board of Directors to, at one or several occasions, during the time up until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, and with or without provisions regarding payment in kind or through set-off or other provisions, resolve to issue new ordinary shares, convertibles and/or warrants. The reason for that deviation from the shareholders' preferential rights shall be permitted is to enable Ascelia Pharma to raise working capital, to execute acquisitions of companies or operating assets as well as to enable new share issues to industrial partners within the framework of partnerships and alliances. The total number of ordinary shares that may be issued pursuant to the authorization (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall be limited to a number that leads to a maximum dilution of 20 per cent (calculated after full utilization of the now proposed authorizations) of the total number of ordinary shares outstanding in the company at the time of the first issue resolution pursuant to the authorization. To the extent an issue is made with deviation from the shareholders' preferential rights, the issue should be made on market terms.

At the Annual General Meeting, it was furthermore, as part of the resolution to implement the incentive program LTI 2024, resolved to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to issue a maximum of 1,881,435 series C shares. The new shares may, with deviation from the shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value of the shares. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to secure delivery of shares in LTI 2024 and, in terms of liquidity, to hedge payments of future social security contributions related to LTI 2024. As part of the resolution to implement LTI 2024, the Annual General Meeting also resolved to authorize the board of directors, for the period up until the next annual general meeting, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares and shall comprise all outstanding series C shares. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. Betald Tecknad Aktie (BTA), regarding a series C share. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share.

Internal Control

Overview
The overall purpose of the internal control is to ensure that the Ascelia Pharma's strategies and objectives can be implemented within the business and to ensure that the financial reporting has been prepared in accordance with applicable laws, accounting standards and other requirements imposed on listed companies. The Board of Directors responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Reports' Act and the Code.

In the rules of procedure for the Board of Directors, the instructions for the CEO and the instructions for financial reporting, all of which have been adopted by the Board of Directors, the allocation of the roles and responsibilities have been stated to contribute to an effective management of the company's risks.

The Board of Directors has also established an audit committee whose tasks mainly include to monitor the effectiveness of the company's internal control, internal audit and risk management, to be informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence. In addition to the abovementioned controls, the Ascelia Pharma has standard operating procedures that govern the control and quality of its drug development (including requirement to its partners participating in drug development).

With regards to risk assessments, these are carried out in connection with strategic planning and forecasting work and specific risk sessions are held to identify and quantify as well as evaluate and decide how the identified risks can be managed and, if possible, be eliminated. The presentation of the identified risks shall, as a minimum, be submitted to the board of directors once per year. Within the board of directors, the Audit Committee is responsible for continuously assessing the company's risks.

Control environment
The Board of Directors bears the overall responsibility for internal control over financial reporting. To create and maintain a functioning control environment, the Board of Directors has adopted a number of policies governing financial reporting. These mainly comprise the rules of procedure for the Board of Directors, the instructions for the CEO and the instructions for financial reporting. The Board of Directors has also adopted a special set of signatory rules and a financial policy. Ascelia Pharma also has a manual containing principles, guidelines and process specifications for accounting and financial reporting.

The audit committee within the Board of Directors ensures that the approved principles for financial reporting and internal control are complied with and that regular contact with the company's auditor is maintained. The responsibility for maintaining an effective control environment and for the day-to-day work on internal control over financial reporting rests with the CEO with assistance from the CFO. The CEO and CFO reports to the Board of Directors on a regular basis in accordance with the instruction to the CEO and the terms of reference for financial reporting. The Board of Directors also receives reports from the company's auditor. Based on Ascelia Pharma's current size and operations, the Board of Directors has decided not to set up a separate internal audit function.

Risk assessment
Ascelia Pharma's management has regular discussions to identify and evaluate the risks arising in the company's operations and to assess how these risks can be managed. Once a year, these risks are presented to the Board of Directors in a risk session accompanied by a risk assessment

memo, which include a heat map quantifying the impact and likelihood of identified risks. The risk assessment work also includes identification of risks that may impact the basic requirements for the financial reporting of the company. The risk assessment results in a number of control targets supporting the basic requirements for financial reporting. These control targets aim to ensure that Ascelia Pharma meets its objectives for financial reporting. The financial reporting shall be correct and complete, and meet all applicable laws, rules and recommendations, provide a fair description of the company's business and support a rational and informed valuation of the business. In addition to these three objectives, internal financial reporting shall support proper business decision-making at all levels.

Control activities

Control activities limit the identified risks and ensure correct and reliable financial reporting. The CFO plays a key role in analysing and following up the Group's financial reporting and results. There are functions for the analysis and follow-up of the financial reporting of the Group and subsidiaries. Control activities also comprise a review and follow-up of Ascelia Pharma's governing documents relating to risk management and analysing complex transactions or valuation of assets or liabilities encompassing a significant element of judgement. The board of directors is responsible for internal control and monitoring of the company's management. This is done primarily by examining the company's steering documents and identified risk factors.

Information and communication

Ascelia Pharma has information and communication channels intended to promote the accuracy of financial reporting and to facilitate reporting and feedback from operations to the board of directors and the management, for example by making corporate governance documents such as internal policies, guidelines and procedures regarding the financial reporting available and known for employees. The board of directors has also adopted an information policy that governs Ascelia Pharma's provision of information.

Monitoring

The compliance and effectiveness of internal controls are monitored regularly. The CEO ensures that the board of directors receives continuous reports on the development of Ascelia Pharma's activities, including the development of Ascelia Pharma's results and financial position, and information about important events, such as operational events of the drug development and major agreements and contracts. The CEO also reports on these issues at each board meeting. The audit committee supports the board of directors by preparing activities that assure the quality of the company's financial reporting. This is partly achieved by the audit committee checking the financial information and the Ascelia Pharma's financial controls. The Board considers that the internal controls are effective in all material respects and, on back of this, has deemed that there is no need to establish a special internal audit function.

External auditor

Ascelia Pharma's auditor is appointed by the annual general meeting for the period until the end of the next annual general meeting. The auditor examines the annual report and accounts as well as the management performed by the Board of Directors and the CEO. Following each financial year, the auditor shall submit an audit report to the annual general meeting. The company's auditor reports its observations from the audit and its assessment of the company's internal control to the Board of Directors.

At the Annual General Meeting held on 6 May 2024, Öhrlings PricewaterhouseCoopers AB (PwC) was re-elected as the company's auditor with Mikael Nilsson being the certified public accountant in charge of the audit. PwC audits Ascelia Pharma AB (publ) and all subsidiaries as applicable. At the annual general meeting, it was also resolved that the fees to the auditor should be paid in accordance with normal charging standards and approved invoice. Further information about fees to the auditor can be found in note 8.

BOARD OF DIRECTORS

Peter Benson

Born 1955. Chairman of the Board of Directors since 2017. Member of Commercialization Committee and Remuneration Committee

Professional background
Peter Benson led the formation of Sunstone Life Science Ventures and served as its Managing Partner from 2007-2019. In addition, Peter Benson has extensive experience from the Global Life Science industry as an investor, founder, board member and senior executive, including 10 listed companies. Previous managerial positions include Head of Life Science Ventures at Vækstfonden (the Danish Growth Fund), President of Hospital Care and Senior Vice President at Pharmacia AB as well as Executive Vice President Marketing & Sales at Kabi Pharmacia Parenterals.

Education
Graduate in business administration from Lund University, Sweden. MA in Economics from the University of California, US, Diploma from IMD, Switzerland.

Other ongoing assignments
Chairman of Ascelia Pharma AB, Ascelia Incentive AB and Good Partners Media Group AB. Board member of Dextech Medical AB, Jollingham AB, Jollingham Group AB and PainDrainer AB. Deputy board member of Jelly Bean AB.

Holdings in Ascelia Pharma (10 March 2025)
143,151 shares in Ascelia Pharma AB directly or through company. Peter Benson has also, directly and indirectly, invested in JellyBean AB that holds 100,319 shares in Ascelia Pharma AB as well as Jollingham AB that holds 150,000 shares in Ascelia Pharma AB. Peter Benson has a direct or indirect financial interest corresponding to 100 percent of the shares in Ascelia Pharma AB held by JellyBean AB and Jollingham AB.

Independence
Independent in relation to the company and its management and in relation to major shareholders.

Lauren Barnes

Born 1974. Member of the Board of Directors since 2020. Chairman of Commercialization Committee

Professional background
Lauren Barnes is Senior Vice President of Strategic Market Development and Access, previously Senior Vice President of Market Access for Blueprint Medicines (listed on Nasdaq), a commercial stage Boston based precision medicine company. Lauren Barnes has extensive expertise and experience in pricing, market access, pre-commercialization and managed markets in particular for the US market. She has been involved in launch planning of more than 50 drugs, devices and diagnostics during her career. Prior to her current role Lauren was Vice President at Vertex Pharmaceuticals, Senior Vice President Avalere Health and has also held various roles at Amgen and the agency that runs the United States Medicare Program, the Centers for Medicare and Medicaid Services. She was previously Chair of the Cancer Support Community.

Education
MHS in Public Health from the Johns Hopkins School of Public Health and BA in Public Health from the Johns Hopkins University.

Other ongoing assignments
Board member of Ossium Health a pre-commercial, bio-engineering stem-cell research company in the United States.

Holdings in Ascelia Pharma (10 March 2025)
-

Independence
Independent in relation to the Company and its management and in relation to major shareholders.

Niels Mengel

Born 1948. Member of the Board of Directors since 2000. Chairman of Remuneration Committee and member of Audit Committee

Professional background
Niels Mengel has extensive experience from the healthcare industry as an investor. Niels Mengel was Founding Partner and former CEO and board member of Øresund-Healthcare Capital. He has also inter alia been Executive Vice President at ISS World Services A/S and Director at PA Consulting Group.

Education
MBA from London Business School, England. M.Sc. in Macro Economy and Finance from University of Copenhagen, Denmark.

Other ongoing assignments
Board member of Better Finance (The European Federation of Investors and Financial Services Users), Black Swan Strategy A/S and Upstream Invest A/S. Member of management (executive) in Kibegeon ApS.

Holdings in Ascelia Pharma (10 March 2025)
269,385 shares in Ascelia Pharma AB directly or through company. Niels Mengel has also, directly and indirectly, invested in Kibegeon ApS that holds 1,340,457 shares in Ascelia Pharma AB. Niels Mengel has a direct or indirect financial interest corresponding to 100 percent of the shares in Ascelia Pharma AB held by Kibegeon ApS.

Independence
Independent in relation to the company and its management and in relation to major shareholders.

BOARD OF DIRECTORS

Hans Maier

Born 1955. Member of the Board of Directors since 2017. Member of Commercialization Committee

Professional background
Hans Maier is Managing Partner and co-founder of BGM Associates GmbH, a specialized Healthcare and Life Science Strategy and Transaction Advisory based in Berlin, Germany. In his career as a biopharma executive, Hans Maier has held executive positions within Schering AG and Bayer AG, inter alia as President of Diagnostic Imaging in Schering AG and Bayer AG, Managing Director of Schering's subsidiaries in Japan and Korea, Managing Director of Schering Dermatology, Head of Corporate Strategy and Business Development of Schering AG. He also served on the Executive Committee of Bayer-Schering Pharma AG.

Education
Ph.D. in Economics and Diploma in Political Science from Freie Universität Berlin, Germany and Executive Program, Stanford University Graduate School of Business.

Other ongoing assignments
Hans Maier is among other board assignments, the Chief Executive Officer of the German Heart Center Berlin Foundation, the Vice-Chairman of "Deutsches Herzzentrum der Charité" and a Supervisory Board Member of Charité Universitätsmedizin Berlin. He is also Chairman of the board of Trustees of the Fraunhofer MEVIS Institute for Digital Medicine, and Professor of International Strategic Management at Berlin School of Economics and Law.

Holdings in Ascelia Pharma (10 March 2025)
20,000 shares in Ascelia Pharma AB.

Independence
Independent in relation to the company and its management and in relation to major shareholders.

Helena Wennerström

Born 1965. Member of the Board of Directors since 2017. Chairman of Audit Committee

Professional background
Helena Wennerström is currently acting CFO at Vitrolife Group. She is former Vice President, Corporate Finance at ViaCon Group. Previously she was also Executive Vice President and Chief Financial Officer of Bulten AB (publ) listed on Nasdaq Stockholm. Earlier she was Senior Vice President and CFO at Finnveden Bulten AB and also had finance roles at Digitalfabriken AB and Topcon Sweden AB.

Education
M.Sc. in Business Administration and Economics from Örebro University.

Other ongoing assignments
Deputy board member in TVM Consulting i Göteborg AB.

Holdings in Ascelia Pharma (10 March 2025)
89,208 shares in Ascelia Pharma AB.

Independence
Independent in relation to the company and its management, and in relation to major shareholders.

Marianne Kock

Born 1955 Member of the Board of Directors since 2024. Member of Commercialization Committee and Remuneration Committee

Professional background
Marianne Kock has extensive experience from Ferring Pharmaceuticals A/S and Novo Nordisk where she has held senior positions. During her 18 years' tenure in Novo Nordisk A/S, she held leadership positions across the development organization, including as Vice President of Regulatory Support worldwide. She joined Ferring Pharmaceuticals in 2002, where she first served as Senior Vice President of Global Regulatory Affairs and established the R&D activities in Japan and China. Her extensive experience in bringing products from research to launch includes interactions with regulatory authorities worldwide. She was later appointed General Manager for Ferring Pharmaceuticals A/S and where she is now chairperson of the board of directors. She is also board member of several small biotech companies.

Education
Pharmacist and MBA- business

Other ongoing assignments
Board member of Asarina Pharma AB (publ), Biosergen AB and the Danish Chamber of Commerce (Dk. Dansk Erhverv). CEO and board member of Farmaceutisk Laboratorium Ferring A/S. Chairman of Ferring Pharmaceuticals A/S. Member of the management team (Dk. Direktion) in Pharma Insight ApS. Board member of Esperante Development BV, in The Netherlands.

Holdings in Ascelia Pharma (10 March 2025)
-

Independence
Independent in relation to the company and its management, and in relation to major shareholders.

MANAGEMENT

Magnus Corfitzen

Born 1975. Chief Executive Officer.
Joined in 2014.

Professional background
Magnus Corfitzen has extensive experience from investing, building and growing Life Science companies in various roles including operational activities or investment responsibilities for public and private biotech and medtech companies. Magnus also has board experience from a number of Life Science companies. Magnus has previously inter alia been Investment Director at Sunstone Capital A/S and Investment Director at Vækstfonden (the Danish Growth Fund). Prior to entering the healthcare venture capital field he was a Portfolio Manager at Danske Capital with responsibility for investments into listed biotech and medtech companies and he started his career at McKinsey & Company.

Education
M.Sc. in Mathematical Economics from the University of Aarhus, Denmark, which included studies at Harvard University, US.

Other ongoing assignments
Board member of Ascelia Pharma Inc. and Ascelia Incentive AB. CEO of Oncoral Pharma ApS.

Holdings in Ascelia Pharma (10 March 2025)
681,745 shares in Ascelia Pharma AB.

Julie Waras Brogren

Born 1972. Deputy Chief Executive Officer and responsible for the duties of the Chief Financial Officer and Chief Commercial Officer.
Joined in 2020.

Professional background
Julie Waras Brogren has more than 20 years experience from life science leadership within finance, product development and commercial launches in both big pharma and start-ups. Julie was previously President of BresoTEC medtech in Canada and has held various leadership positions at Novo Nordisk in Denmark and Latin America, including as Senior Director of the Launch Office for the Victoza® GLP-1 and degludec insulin launches. Julie also has board experience from biotech and medtech companies. She started her career at Accenture. Julie joined Ascelia in 2020 as CCO and in 2022 she also became Deputy CEO. Since 2023, she is also CFO.

Education
M.Sc. in International Business from Copenhagen Business School and Diplome ESC, EM Lyon France, including studies at Chinese University of Hong Kong.

Other ongoing assignments
Board member of Ascelia Pharma Inc. Member of the Board of Directors of Pila Pharma AB and Implexion Pharma.

Holdings in Ascelia Pharma (10 March 2025)
227,114 shares in Ascelia Pharma AB.

Andreas Norlin

Born 1970. Chief Scientific Officer .
Joined in 2020.

Professional background
Andreas Norlin has more than 25 years experience from research, preclinical- and clinical-stage drug development within e.g., oncology, inflammatory disease and diabetes. During the most recent years before joining Ascelia, Andreas had strategic executive roles in several biotech start-up companies in the Greater Copenhagen area. Before that he served as Project Vice President and held other development project leadership positions at Novo Nordisk, Denmark. Andreas started his career with various positions in preclinical R&D at Camurus AB, Sweden. Andreas joined Ascelia Pharma in 2020 as Project Director, Head of Preclinical. He is CSO and a member of the Management Team since 2022.

Education
M.Sc. in Biology and PhD in Animal Physiology from Lund University, Sweden. In addition, he has training within Drug Development Strategy and Medical Marketing from Copenhagen Business School.

Other ongoing assignments
Member of the Board of Directors for Apoglyx AB and Desupervised ApS. Founder of and Senior advisor at Xkout Bioscience AB.

Holdings in Ascelia Pharma (10 March 2025)
136,410 shares in Ascelia Pharma AB.

MANAGEMENT

Carin Linde

Born 1972.
VP Pharmaceutical Development & Supply and IT.
Joined in 2019.

Professional background
Carin Linde has more than 25 years experience from pharmaceutical and life science industry from late-stage development and commercial manufacturing. Before joining Ascelia Pharma in 2019, Carin held a position as Director Analytical Development and Site Manager Centre of Excellence at BioGaia. Carin began her career at AstraZeneca and held several senior positions within R&D and Operations within analytical development, process technology and supply chain. Carin was Director of CMC up until 2022 when she got her current role and became a member of the Management Team.

Education
M.Sc. chemistry, Lund University, Sweden

Other ongoing assignments
Deputy Board member of Roslagsautomation AB

Holdings in Ascelia Pharma (10 March 2025)
189,191 shares in Ascelia Pharma AB.

Marie Källström

Born 1966.
VP of Regulatory Affairs & QA.
Joined in 2020.

Professional background
Marie Källström has more than 25 years global experience from Regulatory Affairs positions in late-stage pharmaceutical development in companies such as Pfizer, AstraZeneca and Pharmacia. The last position was Regulatory Specialist at Novo Nordisk with responsibility for coordinating the development of NDA/MAA documentation as well as planning and participation several Authority interactions within the development of pharmaceutical products for treatment of diabetes and obesity. Marie joined Ascelia Pharma as Director of Regulatory Affairs. She got her current role and became a member of the Management Team in 2022.

Education
M.Sc. in Biology at Lund University, Sweden

Other ongoing assignments
-

Holdings in Ascelia Pharma (10 March 2025)
76,553 shares in Ascelia Pharma AB.

Jennie Wilborgsson

Born 1984.
VP, Clinical Development.
Joined in 2022.

Professional background
Jennie Wilborgsson has more than 15 years experience within clinical drug development from both late stage pharmaceutical companies and the consultancy business. Before joining Ascelia Pharma in 2022, Jennie was heading up the global clinical project management department in KLIFO A/S and has prior to that held various leadership positions within clinical operations in Ferring Pharmaceuticals.

Education
B.Sc. Medical Science, Lund University, Sweden

Other ongoing assignments
-

Holdings in Ascelia Pharma (10 March 2025)
67,672 shares in Ascelia Pharma AB.

FINANCIAL INFORMATION

Consolidated Income Statement

*SEK in thousands (unless otherwise stated)**	Note	2024	2023
Net sales		–	–
Gross profit/loss		**–**	**–**
Other operating income	10	459	1,587
Administrative costs	6	-17,995	-19,774
Research and development costs	6	-50,798	-81,266
Commercial preparation costs	6	669	-10,438
Other operating costs	10	-100	-1,023
Operating result	7, 8, 9	**-67,766**	**-110,914**
Financial income	11	1,584	3,725
Financial costs	11	-13,942	-2,418
Net financial items		**-12,358**	**1,307**
Loss before tax		**-80,124**	**-109,607**
Tax	12	94	319
Loss for the period		**-80,029**	**-109,288**
Attributable to:			
Owners of the Parent Company		-80,029	-109,288
Non-controlling interest		–	–
Earnings per share	13		
Before and after dilution (SEK)		-1.48	-3.24

Consolidated Statement of Comprehensive Income

*SEK in thousands (unless otherwise stated)**	Note	2024	2023
Loss for the period		**-80,029**	**-109,288**
Other comprehensive income			
Currency translation of subsidiaries**	3, 23	303	-301
Other comprehensive income for the period		**303**	**-301**
Total comprehensive income for the period		**-79,726**	**-109,589**

* Some figures are rounded, so amounts might not always appear to match when added up.

** Will be classified to profit and loss when specific conditions are met

Consolidated Balance Sheet

*SEK in thousands**	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Intangible assets	14	57,078	57,074
Tangible assets			
Equipment	15	15	89
Right-of-use assets	16	109	973
Total fixed assets		**57,202**	**58,135**
Current assets			
Advance payments to suppliers	19	1,755	3,433
Current receivables			
Income tax receivables	12	632	1,981
Other receivables	20, 22	5,054	480
Prepaid expenses and accrued income	21	1,022	1,188
Cash and bank balances	22, 26	75,256	21,855
Total current assets		**83,718**	**28,937**
Total assets		**140,920**	**87,072**
EQUITY	23		
Share capital		97,193	34,871
Other contributed capital		721,750	678,747
Reserve of exchange differences on translation		974	671
Loss brought forward (incl. net profit/loss for the period)		-740,973	-639,962
Equity attributable to Parent Company shareholders		**78,944**	**74,328**
Total equity		**78,944**	**74,328**
LIABILITIES			
Long-term liabilities			
Lease liabilities	16	–	176
Total long-term liabilities		**–**	**176**
Current liabilities			
Accounts payable	22	4,733	1,525
Tax payable	12	–	–
Other liabilities	22	19,113	1,640
Interest bearing liabilities	22	25,225	–
Current lease liabilities	16	172	884
Accrued expenses and deferred income	24	12,733	8,519
Total current liabilities		**61,976**	**12,568**
Total liabilities		**61,976**	**12,744**
Total equity and liabilities		**140,920**	**87,072**

* Some figures are rounded, so amounts might not always appear to match when added up.

Consolidated Statements of Changes in Equity

*SEK in thousands**	Note	Share capital	Other contributed capital	Translation reserv	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance as of 1 Jan 2023		**34,871**	**678,747**	**972**	**-533,732**	**180,859**	**–**	**180,859**
Comprehensive income								
Profit/loss for the period		–	–	–	-109,288	-109,288	–	-109,288
Other comprehensive income								
Exchange differences	23	–	–	-301	–	-301	–	-301
Total comprehensive income		**–**	**–**	**-301**	**-109,288**	**-109,589**	**–**	**-109,589**
Transactions with shareholders								
New issue of C-shares	23	–	–	–	–	–	–	–
Issuance expenses	23	–	–	–	-30	-30	–	-30
Common shares: Conversion from C-shares	23	-89	–	–	–	-89	–	-89
C-shares: Resolution of C-shares	23	89	–	–	–	89	–	89
Redemption of warrants	23	–	–	–	–	–	–	–
Share-based remuneration to employees	7	–	–	–	3,088	3,088	–	3,088
Total transactions with shareholders		**–**	**–**	**–**	**3,058**	**3,058**	**–**	**3,058**
Closing balance as of 31 Dec 2023		**34,871**	**678,747**	**671**	**-639,962**	**74,328**	**–**	**74,328**
Comprehensive income								
Profit/loss for the period		–	–	–	-80,029	-80,029	–	-80,029
Other comprehensive income								
Exchange differences		–	–	303	–	303	–	303
Total comprehensive income		**–**	**–**	**303**	**-80,029**	**-79,726**	**–**	**-79,726**
Transactions with shareholders								
New issue of common shares	23	62,322	43,002	–	–	105,324	–	105,324
Issuance expenses	23	–	–	–	-15,207	-15,207	–	-15,207
Common shares: Conversion from C-shares	23	-26	–	–	–	-26	–	-26
C-shares: Resolution of C-shares	23	26	–	–	–	26	–	26
Warrants	22	–	–	–	-12,385	-12,385	–	-12,385
Call option premium in relation to loan facility	22	–	–	–	2,165	2,165	–	2,165
Share-based remuneration to employees	7	–	–	–	4,446	4,446	–	4,446
Total transactions with shareholders		**62,322**	**43,002**	**–**	**-20,981**	**84,343**	**–**	**84,343**
Closing balance as of 31 Dec 2024		**97,193**	**721,750**	**974**	**-740,973**	**78,944**	**–**	**78,944**

* Some figures are rounded, so amounts might not always appear to match when added up.

Consolidated Cash Flow Statement

*SEK in thousands**	Note	2024	2023
Operating activities			
Operating result		-67,766	-110,914
Expensed share based remuneration	7, 26	4,340	2,931
Adjustment for items not included in cash flow	9, 16, 26	49	664
Interest received		773	1,314
Interest paid		-5,224	-121
Income tax paid/received		1,453	1,172
Cash flow from operating activities before changes in working capital		**-66,374**	**-104,954**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) of advance payments		1,678	1,926
Increase (-)/Decrease (+) of operating receivables		-4,988	1,620
Increase (+)/Decrease (-) of accounts payable		3,206	-14,351
Increase (+)/Decrease (-) of other liabilities		3,634	-11,033
Change in working capital		3,530	-21,838
Cash flow used in operating activities		**-62,844**	**-126,792**
Investing activities			
Investment in equipment		–	–
Divestment of right-of-use assets		–	47
Cash flow from investing activities		**–**	**47**
Financing activities			
New share issue	23	105,324	–
Transaction costs for issuance	23	-15,207	-30
Conversion from C-shares	23	-26	-89
Resolution of C-shares	23	26	89
Convertible bond issue	23	733	–
New loans	22	32,725	–
Amortisation of loan		-7,500	–
Amortisation of lease liabilities		-887	-906
Cash flow from financing activities		**115,187**	**-936**
Cash flow for the period		**52,343**	**-127,682**
Cash and cash equivalents at start of period	26	21,855	149,555
Exchange rate differences in cash and cash equivalents		1,058	-18
Cash and cash equivalents at end of period	26	**75,256**	**21,855**

* Some figures are rounded, so amounts might not always appear to match when added up.

Parent Company – Income Statement

*SEK in thousands**	Note	2024	2023
Net sales	5	214	351
Gross profit/loss		**214**	**351**
Other operating income	10	10	856
Administrative costs	6	-17,825	-19,494
Research and development costs	6	-50,571	-80,244
Commercial preparation costs	6	669	-10,448
Other operating costs	10	-32	-187
Operating result	7, 8, 9	**-67,536**	**-109,167**
Net financial items			
Finance income	11	5,178	6,140
Finance costs	11	-14,136	-1,576
Result from other long-term receivables	11	663	-935
Net financial costs		**-8,295**	**3,628**
Loss before tax		**-75,831**	**-105,538**
Group contribution		–	-25
Tax	12	–	–
Loss for the period		**-75,831**	**-105,563**

Parent Company – Statement of Comprehensive Income

*SEK in thousands**	Note	2024	2023
Loss for the period		**-75,831**	**-105,563**
Other comprehensive income		–	–
Other comprehensive income for the period		**–**	**–**
Total comprehensive income for the period		**-75,831**	**-105,563**

* Some figures are rounded, so amounts might not always appear to match when added up.

Parent Company – Balance Sheet

*SEK in thousand**	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Tangible assets			
Equipment	15	15	89
Right-of-use assets	16	–	–
Financial assets			
Shares in group companies	2, 17	58,068	58,068
Long-term receivables from group companies	18	39,255	35,874
Total fixed assets		**97,338**	**94,032**
Current assets			
Advance payments to suppliers	19	1,755	3,433
Current receivables			
Receivables from group companies		2,560	15,114
Income tax receivables	12	534	1,668
Other receivables	20, 22	5,011	453
Prepaid expenses and accrued income	21	1,004	1,129
Cash and bank balances	22, 26	74,440	8,199
Total current assets		**85,303**	**29,996**
Total assets		**182,641**	**124,027**
EQUITY	23		
Restricted equity			
Share capital		97,193	34,871
Non-restricted equity			
Share premium reserve		721,750	678,747
Loss brought forward		-622,123	-495,578
Loss for the period		-75,831	-105,563
Total equity		**120,989**	**112,477**
LIABILITIES			
Long-term liabilities			
Leasing	16	–	–
Total long-term liabilities		**–**	**–**
Current liabilities			
Accounts payable	22	4,632	1,489
Other liabilities	22	19,113	1,640
Interest bearing liabilities	22	25,225	–
Accrued expenses and deferred income	24	12,683	8,422
Total current liabilities		**61,652**	**11,551**
Total liabilities		**61,652**	**11,551**
Total equity and liabilities		**182,641**	**124,027**

* Some figures are rounded, so amounts might not always appear to match when added up.

Parent Company – Statements of Changes in Equity

		Restricted equity	Unrestricted equity		
*SEK in thousands**	Note	Share capital	Premium reserv	Retained earnings	Total equity
Opening balance as of 1 Jan 2023		**34,871**	**678,747**	**-498,637**	**214,982**
Comprehensive income					
Profit/loss for the period		–	–	-105,563	-105,563
Total comprehensive income		**–**	**–**	**-105,563**	**-105,563**
Transactions with shareholders					
New issue of C-shares	23	–	–	–	–
Common shares: Conversion from C-shares	23	-89	–	–	-89
C-shares: Resolution of C-shares	23	89	–	–	89
Issuance expenses	23	–	–	-30	-30
Redemption of warrants	23	–	–	–	–
Share-based remuneration to employees	6	–	–	3,088	3,088
Total transactions with shareholders		**–**	**–**	**3,058**	**3,058**
Closing balance as of 31 Dec 2023		**34,871**	**678,747**	**-601,142**	**112,477**
Comprehensive income					
Profit/loss for the period		–	–	-75,831	-75,831
Total comprehensive income		**–**	**–**	**-75,831**	**-75,831**
Transactions with shareholders					
New issue of common shares	23	62,322	43,002	–	105,324
Issuance expenses		–	–	-15,207	-15,207
Common shares: Conversion from C-shares	23	-26	–	–	-26
C-shares: Resolution of C-shares	23	26	–	–	26
Warrants	23	–	–	-12,385	-12,385
Call option premium in relation to loan facility	23	–	–	2,165	2,165
Share-based remuneration to employees	6	–	–	4,446	4,446
Total transactions with shareholders		**62,322**	**43,002**	**-20,981**	**84,343**
Closing balance as of 31 Dec 2024		**97,193**	**721,750**	**-697,954**	**120,989**

* Some figures are rounded, so amounts might not always appear to match when added up.

Parent Company – Cash Flow Statement

*SEK in thousands**	Note	2024	2023
Operating activities			
Operating result		-67,536	-109,167
Expensed share based remuneration	7, 26	4,340	2,931
Adjustment for items not included in cash flow	9, 16, 26	-814	-492
Interest received		756	1,152
Interest paid		-5,158	–
Income tax paid/received		1,134	-911
Cash flow from operating activities before changes in working capital		**-67,277**	**-106,487**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) of advance payments		1,678	1,926
Increase (-)/Decrease (+) of operating receivables		-4,978	22
Increase (+)/Decrease (-) of accounts payable		3,143	-14,534
Increase (+)/Decrease (-) of other liabilities		3,683	-10,846
Change in working capital		3,527	-23,432
Cash flow used in operating activities		**-63,750**	**-129,919**
Investing activities			
Investment in equipment		–	–
Group contributions		–	-25
Cash flow from investing activities		**–**	**-25**
Financing activities			
New share issue	23	105,324	–
Issuance costs	23	-15,207	-30
Conversion from C-shares	23	-26	-89
Resolution of C-shares	23	26	89
Convertible bond issue	23	733	–
New loans	22	32,725	–
Amortisation of loan		-7,500	–
Repayment of loans from affiliated company	18	13,456	–
Cash flow from financing activities		**129,531**	**-30**
Cash flow for the period		**65,781**	**-129,974**
Cash and cash equivalents at start of period	26	8,199	137,879
Exchange rate differences in cash and cash equivalents		460	294
Cash and cash equivalents at the end of the period	26	**74,440**	**8,199**

* Some figures are rounded, so amounts might not always appear to match when added up.

NOTES

NOTE 1 GENERAL INFORMATION

Ascelia Pharma AB (publ) with corporate identity number 556571-8797 and its subsidiaries (jointly the Group) develop drugs within oncology. The Parent Company conducts operations in the legal form of a limited liability company, with its registered office in Malmö, Sweden. The company's postal address is Hyllie Boulevard 34, SE-215 32 Malmö, Sweden. The company's shares are since 13 March 2019 listed on Nasdaq Stockholm.

This annual report and the consolidated financial statements were approved for publication by the Board on 11 April 2025 and will be presented to the Annual General Meeting of shareholders on 7 May 2025.

NOTE 2 SPECIFICATION OF THE GROUP'S HOLDING OF PARTICIPATIONS IN GROUP COMPANIES

Holdings in the subsidiary

			Carrying amount SEK	
Subsidiary/Corporate identity number/Registered office	**Number of participation rights**	**Participating interest in %**	**31 Dec 2024**	**31 Dec 2023**
Oncoral Pharma ApS, CVR No. 35 48 12 14, Rudersdal, Denmark	145,919	100	58,018,000	58,018,000
Ascelia Incentive AB, Reg.No. 559129-4615, Malmö, Sweden	50,000	100	50,000	50,000
Ascelia Pharma Inc., FEIN No. 38 4179470, New Jersey, USA	1,000	100	8	8
Total carrying amount of year-end			**58,068,008**	**58,068,008**

The share of capital in all of the above holdings is equivalent to voting rights.

NOTE 3 SUMMARY OF IMPORTANT ACCOUNTING POLICIES AND DISCLOSURES

The most important accounting policies for the preparation of this year's consolidated financial statements are found below.

(a) Statement of compliance with legislation and accounting standards

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) adopted by the EU. In addition, the recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, has been applied. The parent company has applied the same accounting policies as those applied in the consolidated financial statements except as set out below in the section Parent company's accounting principles.

In addition to these standards, both the Swedish Companies Act and the Swedish Annual Accounts Act require certain supplementary disclosure to be made.

The accounting policies applied in the preparation of the consolidated financial statements are disclosed in the respective notes in order to provide a better understanding of the respective accounting field. See the table below for reference to the note in which each significant accounting policy is used and the applicable IFRS standard that is deemed to have significant influence.

ACCOUNTING POLICY	NOTE		IFRS STANDARD
Company acquisitions	**3**	Consolidated financial statements	IFRS 3
Segment	**3**	Segment reporting	IFRS 8
Operating expenses	**6**	Operating expenses	IAS 1
Share-based remuneration	**7**	Employees, employee benefit expenses and remuneration to the Board	IFRS 2
Financial income and expenses	**11**	Financial income and expenses	IFRS 9
Income tax	**12**	Tax	IAS 12
Earnings per share	**13**	Earnings per share	IAS 33
Intangible assets	**14**	Intangible assets	IAS 36, IAS 38
Property, plant and equipment	**15**	Property, plant and equipment	IAS 16, IAS 36
Right-of-use assets	**16**	Leasing	IFRS 16
Accounts payable, warrants and interest bearing liabilities	**22**	Financial instruments by category	IAS 32, IFRS 7, IFRS 9, IFRS 13
Cash flow statement	**26**	Cash flow	IAS 7
Transactions with related parties	**27**	Transactions with related parties	IAS 24

Note 3, cont.

(b) Important estimates and assessments for accounting purposes
Preparing the financial statements in accordance with IFRS requires that the management team make important accounting estimates as well as assumptions that influence the application of the accounting principles and the carrying amounts of assets, liabilities, revenue, and expenses. Actual outcomes may differ from these estimates and assumptions. Changes in estimates are reported in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

The areas subject to a high degree of assessment or complexity, or areas in which assumptions and estimates are of considerable importance to the consolidated financial statements, are indicated in the following table. The estimates and assumptions are regularly reviewed, and the effect on the carrying amounts is recognized in the income statement.

ESTIMATES AND ASSESSMENTS	NOTE	
Capitalisation of development expenses	6	Operating expenses by type of cost
Share-based incentive programs	7	Employees, employee benefit expenses and remuneration to the Board
Assessment of tax deficit	12	Tax
Asset acquisitions	14	Intangible assets
Impairment of intangible assets	14	Intangible assets
Leases	16	Right-of-use assets
Financial liabilities	22	Financial instruments by category

Estimates and assessments are evaluated continuously and based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these assumptions, by definition, seldom equal the related actual results.

(c) Consolidated financial statements
Subsidiaries
Subsidiaries are entities over which Ascelia Pharma AB has a controlling influence. Controlling influence exists if Ascelia Pharma AB has power over the investee, is exposed to or is entitled to variable return from its involvement and can, through its influence over the investment, affect returns. When assessing whether controlling influences exist, potential voting rights are considered as well as whether there is de facto control.

The acquisition method is used for recognizing the Group's acquisition of subsidiaries. Under this method, an acquisition of a subsidiary is treated as a transaction in which the Group indirectly acquires the assets and assumes the liabilities. The purchase price allocation determines the fair value of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests, on the acquisition date. Transaction fees that arise, with the exception of transaction fees attributable to equity instruments on issue or debt instruments, are recognized directly through the Income Statement. In the event of an acquisition of a subsidiary in which the transferred payment comprises own share, the payment's value in the purchase price allocation is based on the actual share value at the time of the acquisition.

Asset acquisition
When acquisitions of subsidiaries involve the acquisition of net assets that do not comprise operations, the acquisition cost of each identifiable asset and liability is allocated up based on its fair value at the time of acquisition. Transaction costs are added to the purchase price of the acquired net assets. When the consideration is paid by own shares the acquired assets and liabilities are measured at fair value based on the acquired assets and liabilities at the time of the acquisition, provided that the fair value of the acquired assets and liabilities (in rare cases) cannot be reliably estimated. In the latter case the acquired net assets are measured based on the fair value of the own shares.

Elimination of transactions between Group companies
Intra-group transactions and balance sheet items, as well as unrealized gains or losses that arise from intra-group transactions between companies within the Group are eliminated when preparing the consolidated accounts. Unrealized losses are eliminated in the same way as unrealized profits but only to the extent that there is no impairment requirement.
Translation of foreign currencies
Items in the financial statements for the various Group units are measured in the currency used in the economic environment where each company primarily operates (the functional currency). In the consolidated financial statements, the Swedish krona (SEK) is used, which is the Parent Company's functional and reporting currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Exchange gains and losses arising from the settlement of such transactions and the recalculation of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are recognized in the income statement. Exchange gains and losses attributable to loans and cash and cash equivalents are recognized as financial income and expenses respectively. All other exchange gains and losses are recognized as Other operating income or Other operating expenses. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing at the date that the fair value was determined.

The profit and financial position of all Group companies are translated into the Group's reporting currency. Assets and liabilities are translated at the rate on the balance sheet date, income and expenses are translated at the average rate and any resulting exchange rate differences are recognized as a separate portion of equity. Fair value adjustments and goodwill arising from the acquisition of a foreign operation are recognized as assets and liabilities in that operation and translated at the rate on the balance sheet date.

Translation differences that arise in currency translations of foreign operations are recognized in other comprehensive income and accrued in a separate component in equity – the translation reserve. When control of a foreign operation ceases, the accumulated translation differences attributable to the operation are realized, at which point they are reclassified in equity to profit/loss for the year. In the case of a sale where the controlling interest still exists, a proportional share of the cumulative translation differences is transferred from the translation reserve to non-controlling interests.

Note 3, cont.

(d) Classification
Fixed assets comprise amounts that are expected to be recovered or paid more than 12 months after the balance sheet date, whereas current assets comprise amounts expected to be recovered or paid within 12 months from the balance sheet date. Long-term liabilities comprise amounts that Ascelia Pharma, as per the end of the reporting period, has an unconditional right to decide to pay later than 12 months after the end of the reporting period. If there is no such right at the end of the reporting period or if there is a liability for trading or if a liability is expected to be settled within the normal business cycle – the liability amount is recognized as a current liability.

(e) Operating segment recognition
An operating segment is a part of the Group that conducts business operations from which it generates revenue and incurs expenses and for which independent financial information is available. The Group consists of only one reportable segment, Ascelia Pharma, as it is at this level that the Group's management team has responsibility for the allocation of resources and assesses the business' results. The Group has operations in Sweden (where the parent company has its registered office) and in Denmark. Operating segments are reported in a way that is consistent with the internal reporting submitted to the highest executive decision maker. The highest executive decision maker is the role with responsibility for allocating resources and making assessments of the results of the operating segments. The executive management team of the Group has been identified as having this role.

(f) New or amended accounting standards applied in 2024
The following amended accounting standards were applicable from January 1, 2024: IAS 7, IFRS 7, IAS 1 and IFRS 16.

The amended standards did not have any material impact on Ascelia Pharma's financial statements.

g) New standards and interpretations not yet applied by the Group
None of the IFRS and IFRIC interpretations yet to enter into force are expected to have a significant impact on the Group.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The parent company has prepared the historical financial information according to the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. In addition, the Swedish Financial Reporting Board's issued statements applicable to listed companies are applied. The application of RFR 2 means that the parent company in the historical financial information for the legal entity shall apply all of the IFRS Standards and statements adopted by the EU to the extent allowed according to the Swedish Annual Accounts Act, the Act on Safeguarding of Pension Commitments, and with respect to the link between accounting and taxation. The recommendation states exceptions from and additions to IFRS Standards that shall be made.

Differences between the Group's and the parent company's accounting principles
The accounting principles of the parent company are consistent in all material respects with the accounting principles of the Group. The differences between the Group's and the parent company's accounting principles are described below. The accounting principles given below for the parent company have been consistently applied for all periods as presented in the parent company's financial statements.

Classification and presentation
The parent company's income statement and balance sheet are prepared in accordance with the model detailed in the Annual Accounts Act, while the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows respectively. The differences in the income statement and balance sheet of the parent company compared with the consolidated accounts mainly involve the reporting of financial income and expenses, assets, and equity.

Subsidiaries
Participations in subsidiaries are recognized in the parent company in accordance with the cost method. Thus, transaction expenses are included in the carrying amount of holdings in subsidiaries. In the consolidated accounts, transaction expenses attributable to subsidiaries are directly recognized in the profit/loss when they are incurred.

Financial instruments and hedge accounting
Due to the link between accounting and taxation, the regulations pertaining to the financial instruments in IFRS 9 are not applied to the parent company as a legal entity. Within the parent company, financial assets are measured at their acquisition values less any impairment and financial current assets according to the lower of cost and net realizable value.

NOTE 4 FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

In its operations, the Group is exposed to various financial risks. Examples of these are liquidity and financing risks, as well as currency risks. The Board determines risk management policies. Financial activities in the form of risk management, liquidity management and financing are managed for the Group as a whole by the Parent Company. The Group's overall risk management focuses on the unpredictability of financial markets and strives to limit undesirable impact on its result and financial position, to the extent it is possible.

Liquidity risks and financing risks
Liquidity risks and financing risks are the risks that the Group will not have access to financing in order to fulfil its contractual obligations or that this can only be done at a significantly increased cost.

In July 2024, The Company announced a Rights Issue consisting of common shares and warrants. The Rights Issue was carried out to secure the resources required to finalize the NDA for Orviglance to the FDA and to secure partnerships for the market launch of Orviglance. With the fully subscribed Rights Issue and the remaining loan and convertibles issued to Fenja, the company has a cash runway to late 2025, well beyond the NDA submission. This cash runway excludes the repayment of the remaining SEK 27.5 million loans to Fenja but can be extended with financing from warrants and partnering. The proceeds from the issued warrants series TO 1 can provide up to SEK 45 million additional financing in April 2025. Depending on the warrants exercise outcomes, the terms of an Orviglance partnering agreement and the business goals into 2026 and beyond, additional financing may be required to secure the continued operations into 2026 and forward.

In accordance with Ascelia Pharma's financial policy, liquid funds are only to be placed in bank balances or highly liquid fixed income funds or interest-bearing securities with low credit risk. The financial policy also stipulates that bank deposit shall only be with banks with a long-term credit rating of least BBB+ from Standard & Poor's or equivalent from Moody's and/or Fitch.

	Purchases in each currency		Cost increase with 10% depreciation of SEK	
SEK in thousands	**2024**	**2023**	**2024**	**2023**
DKK	2,410	2,821	241	282
EUR	8,343	8,527	834	853
USD	7,579	49,370	758	4,937
JPY	–	–	–	–
GBP	43	1052	4	105
CAD	–	1539	–	154
Total	**18,375**	**63,309**	**1,838**	**6,331**

Currency risks
Transaction exposure
Ascelia Pharma purchases services related to drug develoment particularly in USD, EUR and DKK. The effect of a weakening of Swedish crown by 10 percent on each currency are described in the table above.

The currency risk management in Ascelia Pharma focuses on transaction risk. Managing translation currency exposure in equity is not deemed relevant to safeguard operations (changes in equity from currency movement is not foreseen to expose Ascelia to significant risks). According to Ascelia Pharma's financial policy, management of currency exposures shall be based on contracted orders/purchases and be highly probable forecasted cash flows. Transaction exposure is handled by exchanging bank balances in SEK into foreign currencies (mainly USD, EUR and DKK) to match upcoming cash outflow. Financial hedging instruments such as futures, forwards and options are not used.
Currency risk is also present in the parent company through intra-company loans from Ascelia Pharma AB to Oncoral Pharma ApS denominated in USD and DKK. A weakening of SEK of 10 percent against USD and DKK would result in an increased loan receivable for the parent company of around SEK 5.0 million.

Interest rate risks
Interest rate risk is the risk that a change in market interest rates will have a negative impact on the result. The Group's exposure to interest rate risk linked to financial liabilities is assessed as small, as the Group has only short-term interest-bearing liabilities.

In 2024, the Company took out a short-term loan of SEK 35 million. SEK 7.5 million was amortized during the year. The interest

Maturity analysis on financial liabilities for the Group

	31 December 2024				31 December 2023			
SEK in thousands	**0-3 months**	**3-6 months**	**6-12 months**	**>12 months**	**0-3 months**	**3-6 months**	**6-12 months**	**>12 months**
Short-term loans	–	–	27,500	–	–	–	–	–
Warrants	–	18,156	–	–	–	–	–	–
Accounts payable	4,733	–	–	–	1,525	–	–	–
Other liabilities and accrued expenses	13,690	–	–	–	10,159	–	–	–
Total	**18,423**	**18,156**	**27,500**	**–**	**11,684**	**–**	**–**	**–**

Note 4, cont.

on the loan is divided into a fixed part and a variable part. As of the balance date the fixed part consisted of 80 percent of the interest rate. Calculated on financial interest-bearing liabilities as of 31 December 2024, a one percentage point change in the market interest rate would increase the interest expense by SEK 150 thousand. The Company does not see any significant interest rate risk regarding the loan.

As of the balance date The Group has no long-term liabilities.

Credit risk

The Group's credit risk is primarily attributable to bank deposits. This risk is considered to be low because the cash in bank accounts are in large Swedish and Danish banks with high credit ratings. Counterparty risk associated with customers or business partners is currently not applicable given the pre-revenue state of the company.

Carrying amount of financial assets and financial liabilities per valuation category

The carrying value of financial assets and financial liabilities are due to its short-term maturity considered to be reasonable estimates of the fair value for each class of financial assets and financial liabilities.

NOTE 5 NET SALES

	Parent company	
SEK in thousands	**2024**	**2023**
Intra-Group services	214	351
Total net sales	**214**	**351**

Intra-Group services from the parent company to the subsidaries mainly include work related to clinical research and development of drugs, as well as administrative support. Pricing of intra-group services has taken place on market terms.

NOTE 6 OPERATING EXPENSES BY TYPE OF COST

The Group reports its income statement based on functions. The key cost items are presented below.

	Group		Parent company	
SEK in thousand	**2024**	**2023**	**2024**	**2023**
Research and Development costs				
Drug development	29,679	50,409	29,631	49,686
Cost of remuneration to employees*	19,831	25,628	19,831	25,643
Manufacturing	1,288	5,229	1,109	4,915
Total	**50,798**	**81,266**	**50,571**	**80,244**
Administration costs				
Costs of remuneration to employees and board*	10,778	10,828	10,778	10,831
Other administration costs	7,217	8,946	7,047	8,663
Total	**17,995**	**19,774**	**17,825**	**19,494**
Commercial preparation costs				
Cost of remuneration to employees*	-669	5,446	-669	5,453
Commercial preparation	–	4,992	–	4,995
Total	**-669**	**10,438**	**-669**	**10,448**
Other operating expenses				
Currency differences related to operations	100	1,023	32	187
Total	**100**	**1,023**	**32**	**187**

*Cost of remuneration to employees encompass all types of remuneration including base salary, variable pay, pension, insurance, other benefits, social security costs as well as recognised costs for long-term incentive programs. A positive effect was recognized in 2024 related to cost savings for employees for Commercial preparation costs.

ACCOUNTING POLICIES

The income statement is structured according to function. The functions are as follows:

"Research and development costs" refers to costs for clinical research and development of drugs, raw material and manufacturing costs, salaries and services acquired and costs of premises.

"Administrative costs" refers to costs for salaries, board remuneration, corporate costs including office and equipment, investor relation activites and adminstrative costs.

"Commercial preparation costs" refers to costs for the Group's commercial organization, including salaries and external consultancy services.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Capitalisation of development expenses

For the period Jan-Dec 2024, the criteria for classifying R&D costs as an asset according to IAS 38 has not been met (capitalisation of development expenses is normally done in connection with final regulatory approval). Hence, all R&D costs related to the development of the product candidates have been expensed.

NOTE 7 EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION TO THE BOARD OF DIRECTORS

Average number of employees

	Number of people		Of whom men, %	
	2024	2023	2024	2023
Parent company				
Sweden	11	23	27%	15%
Total for parent company	**11**	**23**	**27%**	**15%**
Subsidiaries				
Denmark	–	–	–	–
Sweden	–	–	–	–
Total for subsidiaries	**–**	**–**	**–**	**–**
Group total	**11**	**23**	**27%**	**15%**

There are no employees in the subsidiaries.

Gender division on the board and in executive management

	Number of people		Of whom women, %	
	2024	2023	2024	2023
Board of Directors	6	5	50%	40%
Executive management	6	7	67%	71%

Salaries, other remuneration and social security expenses

	Salaries and other remuneration		Social secutiry expenses	
SEK in thousands	2024	2023	2024	2023
Parent Company	16,718	25,933	6,642	11,195
(of which pension costs)	–	–	3,746	5,063
Subsidiaries	–	–	–	–
(of which pension costs)	–	–	–	–
Total salaries, other remuneration and social security expenses	**16,718**	**25,933**	**6,642**	**11,195**
(of which pension costs)	–	–	3,746	5,063

Note 7, cont.

Remuneration to the board and senior executives

	2024					2023				
SEK in thousands	**Remuneration[1]/Base salary (incl. holiday pay)**	**Other benefits**	**Variable remuneration**	**Share-based remuneration[2]**	**Pension expenses[3]**	**Remuneration[1]/Base salary (incl. holiday pay)**	**Other benefits**	**Variable remuneration**	**Share-based remuneration[2]**	**Pension expenses[3]**
The Group										
The Board										
Peter Benson	550	–	–	–	–	571	–	–	–	–
Lauren Barnes	273	–	–	–	–	356	–	–	–	–
Marianne Kock (elected Oct 2024)	48	–	–	–	–	–	–	–	–	–
Hans Maier	263	–	–	–	–	283	–	–	–	–
Niels Mengel	338	–	–	–	–	320	–	–	–	–
Helena Wennerström	363	–	–	–	–	363	–	–	–	–
René Spogárd (Passed away March 2023)	–	–	–	–	–	63	–	–	–	–
Senior executives employed by the company Group (incl. subsidiaries)										
Magnus Corfitzen, CEO	2,225	185	752	1,225	709	2,091	194	472	856	652
Other senior executives [4], 6(6)	6,352	219	1,430	2,467	1,911	7,199	208	504	1,543	1,967
Parent Company										
Magnus Corfitzen, CEO	2,225	185	752	1,225	709	2,091	194	472	856	652
Other senior executives [4], 6(6)	6,352	219	1,430	2,467	1,911	7,199	208	504	1,543	1,967

1) Refers to remuneration to the Board and committees
2) Refers to recognized costs but not paid-out remuneration for active incentive programs.
3) The Parent company has a defined-contribution pension plan. Under the plan, some employees can decide whether the company should, instead of making pension contributions, pay the equivalent amount out as salary. In 2024, two employees opted to receive salary instead of pension (two employees in the financial year 2024).
4) Refers to the number of senior executives at year-end. The reported remuneration for 2023 includes remuneration to the CFO who has resigned during the year.

Note 7, cont.

Employee option program

	Group						Parent company					
	Option program 2		Option program 3		Total		Option program 2		Option program 3		Total	
Number of alloted options	CEO	Other senior executives*	CEO	Other senior executives*	CEO	Other senior executives*	CEO	Other senior executives*	CEO	Other senior executives*	CEO	Other senior executives*
Opening balance as of 1 Jan 2023	183,671	321,424	–	–	183,671	321,424	183,671	321,424	–	–	183,671	321,424
Share options alloted	–	–	360,000	1,020,000	360,000	1,020,000	–	–	360,000	1,020,000	360,000	1,020,000
Share options divested	-183,671	-321,424	–	–	-183,671	-321,424	-183,671	-321,424	–	–	-183,671	-321,424
Closing balance as of 31 Dec 2023	**–**	**–**	**360,000**	**1,020,000**	**360,000**	**1,020,000**	**–**	**–**	**360,000**	**1,020,000**	**360,000**	**1,020,000**
Share options alloted	–	–	–	–	–	–	–	–	–	–	–	–
Share options redeemed	–	–	–	–	–	–	–	–	–	–	–	–
Share options divested	–	–	-360,000	-1,020,000	-360,000	-1,020,000	–	–	-360,000	-1,020,000	-360,000	-1,020,000
Closing balance as of 31 Dec 2024	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

* All alloted options (to both current and former senior executives employed by the company)
The total recognized cost for the option program in 2024 including social security expenses amounted to SEK 2.6 million (SEK 0.5 million for the period Jan-Dec 2023).

Share saving program	Group							Parent company						
Number of saving shares	Share saving program 1	Share saving program 2	Share saving program 3	Share saving program 4	Share saving program 5	Share saving program 6	Total	Share saving program 1	Share saving program 2	Share saving program 3	Share saving program 4	Share saving program 5	Share saving program 6	Total
Opening balance as of 1 Jan 2023	54,500	40,045	28,470	50,194	–	–	173,209	54,500	40,045	28,470	50,194	–	–	173,209
Saving shares acquired	–	–	–	–	96,990	–	96,990	–	–	–	–	96,990	–	96,990
Divested	–	-5,061	-4,767	-1,684	–	–	-11,512	–	-5,061	-4,767	-1,684	–	–	-11,512
Alloted	-54,500	-34,984	–	–	–	–	-89,484	-54,500	-34,984	–	–	–	–	-89,484
Of which														
CEO	-24,500	-11,000	–	–	31,000	–		-24,500	-11,000	–	–	31,000	–	
Other senior executives	-23,000	-21,014	–	–	59,990	–		-23,000	-21,014	–	–	59,990	–	
Closing balance as of 31 Dec 2023	**–**	**–**	**23,703**	**48,510**	**96,990**	**–**	**169,203**	**–**	**–**	**23,703**	**48,510**	**96,990**	**–**	**169,203**
Saving shares acquired	–	–	–	–	–	181,306	181,306	–	–	–	–	–	181,306	181,306
Recalculation*	–	–	2,607	5,336	10,669	19,944	38,556	–	–	2,607	5,336	10,669	19,944	38,556
Alloted	–	–	-26,310	–	–	–	-26,310	–	–	-26,310	–	–	–	-26,310
Of which														
CEO	–	–	-11,100	2,475	3,410	59,940		–	–	-11,100	2,475	3,410	59,940	
Other senior executives	–	–	-13,242	2,759	6,599	127,450		–	–	-13,242	2,759	6,599	127,450	
Closing balance as of 31 Dec 2024	**–**	**–**	**–**	**53,846**	**107,659**	**201,250**	**362,755**	**–**	**–**	**–**	**53,846**	**107,659**	**201,250**	**362,755**
Of which														
CEO	–	–	–	24,975	34,410	59,940	119,325	–	–	–	24,975	34,410	59,940	119,325
Other senior executives	–	–	–	27,840	66,589	127,450	221,879	–	–	–	27,840	66,589	127,450	221,879

The total recognized costs for the share saving programs in 2024 including social security expenses amounted to SEK 1.7 million (SEK 2.9 million for the period Jan-Dec 2023).
*In September 2024 the number of shares was recalculated in accordance with the terms of the programs.

Note 7, cont.

Guidelines for remuneration to CEO and other senior executives

Introduction to guidelines
Ascelia Pharma shall offer remuneration levels and employment terms at market terms, aimed at facilitating the recruitment and retention of senior executives with high competence and capacity, in order to achieve established targets. The guidelines shall apply to employment agreements entered into after the adoption of these guidelines by the shareholders' meeting or amendments to existing agreements made after the adoption of the guidelines.

The remuneration to the CEO and other senior executives can be comprised of fixed salary, variable remuneration, pension benefits, share-based incentive programs resolved by the shareholders' meeting and other benefits. Senior executives refer to the CEO and the other persons forming part of Ascelia Pharma's management team.

Remuneration and other employment terms for the CEO and other senior executives are prepared by the Remuneration Committee and resolved by the board of directors.

Fixed salary guidelines
The fixed salary shall take into consideration the individual's competence, area of responsibility and performance. A review should generally be made annually.

Variable remuneration guidelines
The variable remuneration is to be based on the outcome of predetermined well defined objectives. The variable consideration is to be limited and may not exceed 40 per cent of the fixed annual salary for the CEO and 30 per cent of the fixed annual salary for other senior executives, whereby the individual highest level should be based on factors such as the position held by the specific individual.

Pension guidelines
In addition to what follows from law or collective bargain agreements or other agreements, the CEO and other senior executives may be entitled to arrange individual pension schemes. Refrained salaries and variable remuneration can be used for increased pension contributions, provided that the total cost for Ascelia Pharma is unchanged over time.

Share-based incentive programs guidelines
Share-based incentive programs shall, where applicable, be resolved by the shareholders' meeting.

Other benefits guidelines
The senior executives may be awarded other customary benefits, such as a company car, occupational health services, etc.

Severance pay etc. guidelines
In case of termination of the CEO's employment by the company, the notice period should not exceed 6 months. In case the company terminates the CEO's employment, the CEO shall, in addition to salary during the notice period, be entitled to severance payment corresponding to 6 months' base salary. The notice period for other senior executives shall not exceed 6 months. The employment agreements with senior executives may also include provisions regarding right for the senior executive to receive customary compensation for non-compete undertakings following the termination of the employment.

Other information
In addition to the severance pay for the CEO, in case the company would be subject to a change of control resulting in that more than 50 percent of the shares are held by one shareholder and provided that neither the company nor the CEO has given notice of termination or has otherwise brought the agreement to terminate within a period of six months after the change of control, the CEO is entitled to a retention bonus of six times the monthly gross salary.

Share-based incentive programs
Ascelia Pharma has three active share-saving programs for employees. For the share-saving programs, employees are entitled to receive matching and performance shares according to the terms of the programmes. The Group recognises share-based remuneration, which personnel may receive. A personnel cost is recognised, together with a corresponding increase in equity, distributed over the vesting period. Social security costs are revalued at fair value.

In case all outstanding incentive programs are exercised in full, 2.5 million shares will be issued (including hedge for future payment of social security charges). This corresponds to an aggregate dilution of approximately 2.6 % of Ascelia Pharma's share capital after full dilution (calculated on the number of shares that will be added upon full exercise of all incentive programs).

Ascelia Pharma has previously implemented three option programs whereof one (employee option program 3) was active during 2024. Employee option program 3 expired in December 2024 and no options were exercised.

Share Saving Program 3 (LTI 2021)

The total amount of Saving Shares invested in LTI 2021 amounted to 40,870. Saving Period for LTI 2021 was 1 October 2021 up to and including 30 September 2024. In November 2024, 26,310 Matching shares were alloted to the participants.

Share Saving Program 4(LTI 2022)
At the Annual General Meeting on 5 May 2022, a resolution was passed to implement an additional long-term incentive program for employees in the form of a performance-based share saving program. The total amount of Saving Shares invested in Program 4 amounted to 50,194.

For each Saving Share, the participants is entitled to receive 1 Matching Share. In addition, for each Saving Share, the participant shall have the possibility to receive up to 5 Performance Shares for each Saving Share. Receipt of both Matching Shares and Performance Shares are conditional upon the fulfilment of the following conditions: (a) that the participant has retained all Saving Shares during the period from the expiration of the Investment Period to 30 September 2025 (the "Saving Period"); and (b) that the participant has continued to be employed by the company (or another company in its group) throughout the Saving Period.

Receipt of Performance Shares is further conditional upon that the requirement related to the development of the company's share price from the date of the annual general meeting on 5 May 2022 to and including 30 September 2025 (the "Performance Target") is fulfilled. The Performance Target will be measured based on the volume weighted average share price 30 trading days immediately following the annual general meeting on 5 May 2022 and 30 trading days immediately preceding 30 September 2025. An increase in the share price with less than 20 percent does not entitle to any vesting of any of the Performance Shares. An

Note 7, cont.

increase in the share price with 20 percent entitles to vesting of 1 Performance Share per Saving Share and an increase in the share price with 80 per cent or more entitles to vesting of all the 5 Performance Shares per Saving Share. In the event of an increase in the share price of between 20 and 80 per cent, vesting of the Performance Shares will occur linearly between 1 and 5. Saving Period for LTI 2022 is 1 October 2022 up to and including 30 September 2025.

Share Saving Program 5 (LTI 2023)
At the Annual General Meeting on 4 May 2023, a resolution was passed to implement an additional long-term incentive program for employees in the form of a performance-based share saving program. The mechanisms in LTI 2023 are the same as in LTI 2022. The total amount of Saving Shares invested in LTI 2023 amounted to 96,990.

Saving Period for LTI 2023 is 1 October 2023 up to and including 30 September 2026. The Performance Target in LTI 2023 will be measured based on the volume weighted average share price 30 trading days immediately following the annual general meeting on 4 May 2023 and 30 trading days immediately preceding 30 September 2026.

Share Saving Program 6 (LTI 2024)
At the Annual General Meeting on 6 May 2024, a resolution was passed to implement an additional long-term incentive program for employees in the form of a performance-based share saving program. The mechanisms in LTI 2024 are the same as in LTI 2022. The total amount of Saving Shares invested in LTI 2024 amounted to 181,306.

Saving Period for LTI 2024 is 1 October 2024 up to and including 30 September 2027. The Performance Target in LTI 2024 will be measured based on the volume weighted average share price 30 trading days immediately following the annual general meeting on 6 May 2024 and 30 trading days immediately preceding 30 September 2027.

Cost recognition of share-based incentive programs

For option program 3, a cost of SEK 2.6 million including social security charges was recognized in 2024 (SEK 0.5 million). The total recognized costs for the share saving programs including social security charges in 2024 were SEK 1.7 million (SEK 2.9 million in 2023).

ACCOUNTING POLICIES

Remuneration to employees

Current remuneration
Current benefits to employees are calculated without discounting and recognised as costs when the related services are received.

Pensions
The Group has only defined-contribution pension plans. Pension plans classified as defined-contribution plans are those where the company's obligation is limited to the contributions the company has undertaken to pay. In such cases, the size of the employee's pension is dependent on the contributions paid by the company to the plan or to an insurance company and the return on capital yielded by the contributions. Consequently, it is the employee who bears the actuarial risk (that the pension payment will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected payments). The company's obligations with regard to payments to defined-contribution plans are recognised in the Income Statement as they are earned by the employee's performance of services for the company during a period.

Share based remuneration
Ascelia Pharma's employees are invited to participate in share-based incentive programs. If the terms of the programs are met at the time for utilisation, these employees have the right to purchase shares at a pre-determined price (the employee option programmes) and receive matching and performance shares (share saving programme). The Group recognises share-based remuneration, which is personnel may receive. A personnel cost is recognized, together with a corresponding increase in equity, distributed over the period in which the vesting conditions are met, which is the date on which the relevant employees become fully entitled to the compensation.

Social security costs attributable to share-based remuneration are expensed in the periods in which the programs are provided. The liability for social security costs arising is re-evaluated at each reporting date based on a new calculation of the fees expected to be paid when the programmes are utlised. This means that a new market valuation of the incentive programmes is made at each balance sheet date, which is the basis for the calculation of the liability for social security charges.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Share-based incentive programs

Employee option programs
The calculated value of the options at the time of allotment for the third program was approximately SEK 2 per option. The value of the options was calculated with an adjusted Black-Scholes model, which takes into consideration the exercise price, the term of the options, share price on the allotment date and expected volatility in the share price, and risk-free interest for the term of the options. Assumptions were also made regarding the number of employees to remain in the company once the programme is fully completed. The value of the options are furthermore based on the following data:

- Risk-free interest rate: 2.29 percent
- Calculated volatility in the company's share price: 164 percent

Share saving programs
The parameter, which have the largest impact on the value of the program, is the publicly traded share price. The fair value of the share saving program is estimated on the issue date using a generally accepted modelling technique, Monte Carlo simulation, to simulate the future share price development. Assumptions have also been made regarding the number of employees to remain in the company once the programmes are fully completed.

The volatility in the company's share price used in the simulation is calculated to 59 percent.

NOTE 8 AUDITOR FEES AND

SEK in thousands	2024	2023
Group		
PwC		
Audit engagements (current year)	880	865
Other audit activities	–	–
Tax advice	–	7
Other services	–	42
Total	**880**	**914**

SEK in thousands	2024	2023
Parent company		
PwC		
Audit engagements (current year)	843	773
Other audit activities	–	–
Tax advice	–	–
Other services	–	42
Total	**843**	**815**

REIMBURSEMENTS

Audit engagements refer to statutory auditing of the annual and consolidated financial statements and acccounting records as well as the Board's and CEO's administration of the company, along with audits and other reviews performed as agreed upon or contracted. This includes other tasks that are incumbent on the company's auditor to perform as well as consultancy or other assistance as a result of observations during the reviews or the performance of such other duties referred to.

NOTE 9 DEPRECIATION OF INTANGIBLE, TANGIBLE AND RIGHT-OF-USE ASSETS

DEPRECIATION ACCORDING TO PLAN	Group		Parent company	
SEK in thousands	2024	2023	2024	2023
Tangible assets				
Equipment	-74	-74	-74	-74
Right-of-use assets				
Office	-776	-766	–	–
Car	-88	-209	–	–
Total depreciation	**-938**	**-1,049**	**-74**	**-74**

NOTE 10 OTHER OPERATING INCOME AND COSTS

Other operating income	Group		Parent company	
SEK in thousands	2024	2023	2024	2023
Exchange gains on receivables/liabilities relating to operations	459	1,584	10	526
Electricity contribution	–	3	–	3
Other operating income	–	–	–	327
Total other operating income	**459**	**1,587**	**10**	**856**

Other operating costs	Group		Parent company	
TSEK	2024	2023	2024	2023
Exchange loss on receivables/liabilities relating to operations	-100	-1,023	-32	-187
Total other operating costs	**-100**	**-1,023**	**-32**	**-187**

ACCOUNTING POLICIES

Other operating income and costs relate to secondary activities, such as income from e.g. exchange rate differences for items relating to operations, gains on divestitures and the disposal of fixed assets, institutional grants and insurance compensation.

NOTE 11 FINANCIAL INCOME AND COSTS

Group

Financial income

SEK in thousands	2024	2023
Interest income	772	1,321
Exchange rate differences	812	2,404
Total	**1,584**	**3,725**

Financial costs

SEK in thousands	2024	2023
Interest expense borrowings	-3,639	–
Financing costs	-3,840	–
Value change warrants	-5,771	
Interest expense other	-66	–
Exchange rate differences	-627	-2,418
Total	**-13,942**	**-2,418**

Parent company

Financial income

SEK in thousands	2024	2023
Interest income	3,832	4,269
Exchange rate differences	1,347	1,871
Total	**5,178**	**6,140**
Of which group companies	3,075	3,117

Financial costs

SEK in thousands	2024	2023
Interest expense	-3,639	–
Financing costs	-3,840	
Value change warrants	-5,771	
Interest expense other	–	
Exchange rate differences	-887	-1,576
Total	**-14,136**	**-1,576**

Result from other long-term receivables

SEK in thousands	2024	2023
Exchange rate differences	9,246	–
Impairment of other long-term receivables	-8,584	-935
Total	**663**	**-935**

ACCOUNTING POLICIES

Financial income and expenses comprise interest income from bank, invested funds and other long-term receivables, interest expense for operating liabilities, dividend income and exchange rate differences.

The profit/loss from the disposal of a financial instrument is recognized once the risks and rewards that are linked to owning the instrument are transferred to the buyer and the Group no longer has control of the instrument. The interest component of financial lease payments is entered in the income statement in accordance with the effective interest method, whereby interest is divided so that each accounting period is charged with an amount based on the liability recognized during the period in question.

NOTE 12 TAX

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

	Group		Parent company	
SEK in thousands	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Current tax expense (-)/tax income (+)				
Tax expense/income for the year	94	319	–	–
Total current tax	**94**	**319**	**–**	**–**

Reconciliation of effective tax

		Group		Parent company	
SEK in thousands		Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Loss before tax		-80,124	-109,607	-75,831	-105,563
Tax rate for the Parent Company	20.60%	16,506	22,579	15,621	21,746
Effect of other tax rates for foreign subsidiaries	-0.02%	-17	-21	–	–
Non-deductible expenses	-2.42%	-1,943	-256	-1,943	-256
Non-taxable income	0.20%	161	3	161	3
Increase of losses carried forward without equivalent capitalisation	-18.24%	-14,613	-21,986	-13,839	-21,493
Utilisation of previously non-capitalised tax deductions	**0.00%**	**–**	**–**	**–**	**–**
Recognised effective tax	**0.12%**	**94**	**319**	**–**	**–**

Unrecognised deferred tax assets

Deductible temporary differences and tax losses for which deferred tax assets have not been recognized in the balance sheet (unrecognised deferred tax assets have no expiration date):

Deductible temporary differences	Group		Parent company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023*
Right-of-use assets	109	973	–	–
Lease liabilities	172	1,060	–	–
Total	**-63**	**-87**	**–**	**–**

* Values updated for 2023. IFRS16 is not applied in legal person.

Accumulated tax loss	Group		Parent company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Deductible temporary differences	63	87	–	–
Losses related to issurance costs	61,754	46,521	61,754	46,521
Tax losses	728,434	658,807**	706,237	639,056
Total	**790,251**	**705,415****	**767,992**	**685,577**

**Tax losses for The Group has been updated for 2023.

ACCOUNTING POLICIES

Income tax consists of current tax and deferred tax. Income tax is reported in the Income Statement except for when underlying transactions are recognized in other comprehensive income or directly in equity, in which case the associated tax effect is reported in other comprehensive income or in equity.

Current tax is tax that must be paid or received for the current year in application of the tax rates that are enacted or substantially enacted as at the balance sheet date. Current tax also includes adjustment of the current tax attributable to previous periods. Deferred tax is calculated according to the balance sheet method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deductible temporary differences do not take into account Group-related goodwill. In addition, temporary differences attributable to participations in subsidiaries that are not expected to be reversed within the foreseeable future are also not taken into account.

The valuation of deferred tax is based on how underlying assets and liabilities are expected to be recovered or settled. Deferred tax is calculated by applying the tax rates and tax rules enacted or substantially enacted as at the balance sheet date. Deferred tax receivable relating to deductible temporary differences and loss carry-forwards are recognized only to the extent that it is probable that they will be utilized. The value of the deferred tax receivable is reduced when it is no longer probable that it can be used. When participating interests in subsidiaries are acquired – asset purchases – no separate deferred tax is recognized at the time of acquisition; instead the asset is recognized at cost, which corresponds to the fair value of the asset. After the date of the acquisition, deferred tax is recognized only for the change in carrying amount and changes in the amount used for taxation purposes that rise after the time of acquisition.

Note 12, cont.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSE

The accounting policies describe the conditions for recognizing deferred tax assets as temporary differences. In this context it is important that the executive management considers whether the business will recognize the tax surplus in a near enough time frame for the asset to be balanceable.

Recognition of deferred tax relating to loss carry-forwards or other future tax deductions may only be reported to the extent that it is probable that the deductions can be offset against surpluses in future taxation. In order for recognition to take place, it must be possible to demonstrate that it is probable that the market approval will entail taxable income that can be used for the tax loss carry-forwards.

At the beginning of the financial year, Ascelia Pharma AB had approximately SEK 686 million in tax deficits. The tax loss for the year 2024 is estimated to amount to approximately SEK 81 million, including transaction costs booked against equity. Consequently, a total tax deficit of SEK 767 million per 31 December 2024. No tax assets have been recognized on the balance sheet.

NOTE 13 EARNINGS PER SHARE

	Group		Parent company	
	2024	2023	2024	2023
Result for the year attributable to shareholders of Ascelia Pharma (publ), TSEK	-80,029	-109,288	-75,831	-105,563
Weighted average number of shares (before and after dilution)	54,001,187	33,719,779	54,001,187	33,719,779
Result per share (before and after dilution), SEK	**-1.48**	**-3.24**	**-1.40**	**-3.13**

ACCOUNTING POLICIES

The calculation of earnings per share is based on the profit or loss attributable to ordinary equity holders of the parent company and the weighted average number of common shares outstanding during the year. When calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the effects of all dilutive potential common shares. Potential common shares are considered diluted only during periods when it leads to lower profit or bigger loss per share.

Earnings per share before dilution are calculated by dividing profit for the period attributable to the Parent Company's shareholders by the Parent Company's weighted average number of shares outstanding for the financial year. Earnings per share after dilution are calculated by dividing the profit for the period attributable to the Parent Company's shareholders by the Parent Company's weighted average number of shares outstanding after dilution.

NOTE 14 INTANGIBLE ASSETS

	Group	
SEK in thousands	31 Dec 2023	31 Dec 2023
Accumulated cost of acquisition		
Opening balance	57,074	57,074
Acquisitions during the year	–	–
Exchange differences during the year	4	–
Closing balance	**57,078**	**57,074**
Accumulated depreciation and impairment		
Opening balance	–	–
Depreciation according to plan	–	–
Impairment for the year	–	–
Closing balance	**–**	**–**
Recognized value at year-end	**57,078**	**57,074**

Impairment requirement testing for intangible assets

Each year, the Group tests whether there is an impairment requirement with regards to intangible assets. For Ascelia Pharma, the recognized intangible assets refer to the R&D project in progress (Oncoral), which was acquired through the subsidiary Oncoral Pharma ApS.

The consideration consisted of a new share issue in Ascelia Pharma. The project has completed the first development phase (Phase 1) at Herlev hospital in Denmark with

promising results. Preparations are now being made for Phase 2 .The product candidate is a tablet formulation of irinotecan, which is a widely used chemotherapeutic agent with documented effects on selected solid tumors. The project is initially measured at fair value based on the discounted future net cash flow the project is deemed to generate and also considering the fair value of the consideration paid in a separate parallel transaction comprising a new share issue for cash in Ascelia Pharma at the same point in time.

The impairment test Oncoral is based on estimated risk adjusted future cash. Significant assumptions in the financial plans include projected revenue and operating margins. The forecasted risk adjusted cash flow has been calculated at present value using a discount rate of 12.0 percent before tax. The discount factor has been determined by considering the risk-free interest rate and the risk associated with the specific asset.

In the year 2024, the estimated recoverable amount for Ascelia Pharma exceeded the book value, which is why no impairment requirement has been identified. Alternative calculations have been made by changing the assumptions concerning the discount rate. An increase of the discount rate by two percentage points would not result in any impairment requirement for intangible assets related to Ascelia Pharma. When loan receivables to Oncoral as well as shares in subsidiaries in the parent company are also taken into account in the impairment test, the difference between the recoverable value and the book value is lower. There is a risk of future need for subsidence.

Note 14, cont.

ACCOUNTING POLICIES

Intangible assests

Expenditure on research and development
Expenditure on research activities related to the obtaining of new scientific or technical knowledge is expensed as incurred, except for when the research activities are acquired in a business combination. Expenditure on development activities, whereby the research results or other knowledge is applied to accomplish new or improved products or processes, is recognized as an asset in the balance sheet, provided that the product or process is technically and commercially feasible and Ascelia Pharma has sufficient resources to complete development, and is subsequently able to use or sell the intangible asset.

Other development expenses are expensed as incurred with the exception of acquired development. Research and development acquired through a business combination are stated at the fair value at the date of the acquisition. After the acquisition date, acquired research and development are stated on a historical cost basis and are tested for impairment as described above.

Other intangible assets
Other intangible assets acquired by the Group are recognized at cost of acquisition less accumulated amortization and impairment. Expenditures for internally generated goodwill and trademarks are recognized in the income statement as an expense as it is incurred. The Group's other intangible assets include acquired formulation technology for the purpose of developing tablet-based treatment of cancer, which are set up as assets on the basis of expenditure arising when the technology in question was acquired. The expenditure is capitalized to the extent that the probable economic benefits exceed the expenditures.

Depreciation/amortization
Depreciation/amortization according to plan is based on the original cost of acquisition less any residual value. Depreciation/amortization is applied on a straight-line basis over the expected economic life and is recognized as an expense in the income statement. For patents, this does not however exceed the remaining period of patent protection. Depreciation/amortization of acquired research and development takes place as of the accounting period in which the asset becomes available for use.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Asset acquisitions versus business combinations
Acquisition of companies can be classified as business combinations or asset acquisitions in accordance to IFRS 3. Each individual acquisition is assessed individually. In the cases where the company acquisition only consists of a development project and does not include important processes, the acquisition is classified as an asset acquisition. If the acquisition contains strategic processes that are associated with operations, it is classified as a business combination. The acquisition of Oncoral in 2017 was considered to be an asset acquisition.

The Group's recognised assets are assessed at the end of every reporting period to determine if there is any indication that impairment is required. IAS 36 is applied to the impairment of assets other than financial assets, which are reported in accordance with IFRS 9.

Impairment of intangible assets
For intangible assets not yet subject to amortisation, the recoverable amount is calculated annually. The recoverable amount is the higher value of the fair value minus the cost of sale and the value in use. To determine the value in use, the future cash flow is discounted by a discount factor, which takes into account risk-free interest and the risk associated with the specific asset. In assessing the value of intangible assets as of the end of 2024 and 2023, no impairment requirement was identified.

Reversal of impairments
An impairment of assets, as included in the application of IAS 36, is reversed if there is both an indication that there is no longer an impairment requirement and that a change has been made in the assumptions that formed the basis of the calculation of the recoverable amount. However, impairment of goodwill is never reversed. A reversal is made only to the extent that the asset's carrying value after the reversal does not exceed the carrying value that would have been recognized, with a deduction for depreciation if applicable, had no impairment been made.

NOTE 15 TANGIBLE ASSETS - EQUIPMENT

	Group		Parent company	
SEK in thousands	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Accumulated cost of acquisition				
Opening balance	599	599	510	510
Acquisitions during the year	–	–	–	–
Exchange differences during the year	–	–	–	–
Closing balance	**599**	**599**	**510**	**510**
Accumulated depreciation according to plan				
Opening balance	-509	-435	-420	-346
Depreciation according to plan	-74	-74	-74	-74
Exchange differences during the year	–	–	–	–
Closing balance	**-583**	**-509**	**-494**	**-420**
Recognized value				
At the start of the period	89	163	89	163
At the end of the period	**15**	**89**	**15**	**89**

ACCOUNTING POLICIES

Tangible fixed assets are recognized as assets in the balance sheet when, on the basis of available information, it is likely that the future economic benefit associated with their possession will pass to the Group, and the asset's cost of acquisition can be reliably calculated. Tangible assets are recognized at acquisition cost less accumulated depreciation and any impairments.

The acquisition cost consists of the purchase price as well as costs directly related to bringing the asset to the necessary place and condition for its use in accordance with the purpose of the acquisition. The carrying value of a tangible asset is derecognized when the asset is sold or disposed of, or when no further financial rewards are expected to be received from the use or disposal/sale of the asset. Gains or losses arising from the sale or disposal of an asset are calculated as the difference between the sale price and the asset's carrying value, less expenses directly related to the sale. Gains and losses are reported under other income/expenses.

Principles for depreciating tangible assets

Depreciation according to plan is based on the original acquisition value less the estimated residual value. Depreciation is carried out on a straight-line basis over the estimated useful life of the asset. Depreciation period is applied: Equipment 3–5 years.

Impairment

Assets with indefinite useful lives are not depreciated/amortized but are tested annually for any impairment requirement. Assets that are depreciated/amortized are assessed for a reduction in value when events or changes in conditions indicate that the carrying amount may not be recoverable. A write-down is carried out for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units).

NOTE 16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Group						Parent company					
	31 Dec 2024			31 Dec 2023			31 Dec 2024			31 Dec 2023		
SEK in thousands	Office	Car	Total	Office	Car	Total	Office	Car	Total	Office	Car	Total
Accumulated cost of acquisition												
Opening balance	3,519	521	4,040	1,966	764	2,730	–	–	–	–	–	–
Acquisitions during the year	–	–	–	1,553	–	1,553	–	–	–	–	–	–
Reclassifications during the year	–	–	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	–	–	–	–	-243	-243	–	–	–	–	–	–
Closing balance	**3,519**	**521**	**4,040**	**3,519**	**521**	**4,040**	**–**	**–**	**–**	**–**	**–**	**–**
Accumulated depreciation according to plan												
Opening balance	-2,677	-391	-3,068	-1,911	-357	-2,268	–	–	–	–	–	–
Reclassifications during the year	–	–	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	–	–	–	–	175	175	–	–	–	–	–	–
Depreciation according to plan	-776	-88	-864	-766	-209	-975	–	–	–	–	–	–
Closing balance	**-3,453**	**-479**	**-3,932**	**-2,677**	**-391**	**-3,068**	**–**	**–**	**–**	**–**	**–**	**–**
Recognized value												
At the start of the period	842	131	973	55	407	462	–	–	–	–	–	–
At the end of the period	**66**	**43**	**109**	**842**	**131**	**973**	**–**	**–**	**–**	**–**	**–**	**–**

Lease liabilities

	Group		Parent company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Long-term interest-bearing lease liabilities	–	176	–	–
Current interest-bearing lease liabilities	172	884	–	–
Total interest-bearing lease liabilities	**172**	**1,060**	**–**	**–**

ACCOUNTING POLICIES

The Group as lessee

The Group's leases primarily comprise right-of-use assets regarding premises rent and car. The leases are recognized as right-of-use assets equating to a lease liability on the day the leased asset becomes available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are excepted.

Each lease payment is distributed between repayment of lease liability and financial expense. The financial expense shall be distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed rate of interest for the liability recognized in the respective period.

The lease period is established as the non-terminable period together with both periods covered by an opportunity to extend the lease if the lessee is reasonably certain to utilize that option, and periods covered by an opportunity to terminate the lease if the lessee is reasonably certain not to utilize that option.

The Group's lease liabilities are entered at the present value of the Group's fixed fees. The lease payments for the cars are discounted by the lease's imputed rate of interest, which is estimated to 4 percent. The Group is exposed to any future increases in lease payments based on an index or interest rate that are not part of the lease liability until they come into effect. When adjustments to lease payments based on an index or interest rate come into effect, the lease liability is revalued and adjusted against the right-of-use asset.

The Group's right-of-use assets are recognized at cost of acquisition and initially include the present value of the lease liability, adjusted for lease fees paid on or before the start date, as well as initial direct costs.

Principles for depreciating right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the length of the lease. Depreciation according to plan is based on the original acquisition value less the estimated residual value.

Note 16, cont.

Parent Company
The parent company does not apply IFRS 16 but reports lease fees according to leasing agreements as an expense on a straight-line basis over the leasing period, unless another systematic way can reflect the company's financial benefit better over time.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Options to extend and terminate agreements are included in the Group's leases for office and car. The great majority of the options to extend and terminate agreements can only be utilized by the Group and not by the lessors. Once the length of the lease has been determined, the management team considers all the available information that provides an economic incentive to utilize an option to extend, or not to utilize an option to terminate an agreement. Opportunities to extend an agreement are only included in the length of the lease if it is reasonably certain that the agreement will be extended (or not be terminated).

The lease payments for cars are discounted by the lease's implicit discount rate, which is estimated to 4%. The rent is discounted using the marginal borrowing rate, which is estimated to 10%.

Maturity analysis on future lease liabilities

	Group		Parent company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Within a year	1,169	1,160	1,169	1,160
Between one year and three years	80	127	80	127
	1,249	**1,287**	**1,249**	**1,287**

Future lease payments in accordance with the above are nominal.

NOTE 17 SHARES IN GROUP COMPANIES

	Parent company	
SEK	31 Dec 2024	31 Dec 2023
Opening balance	58,068,008	58,068,008
Carrying amount at year-end	**58,068,008**	**58,068,008**

Specification of parent company's shares in group companies

Subsidiaries	Capital share in %	Voting share in %	Recognized value 2024 in SEK	Recognized value 2023 in SEK
Oncoral Pharma ApS	100%	100%	58,018,000	58,018,000
Ascelia Incentive AB	100%	100%	50,000	50,000
Ascelia Pharma Inc.	100%	100%	8	8
Total carrying amount of year-end			**58,068,008**	**58,068,008**

NOTE 18 LONG-TERM RECEIVABLES FROM GROUP COMPANIES

	Group		Parent company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Accumulated cost				
Opening balance	–	–	35,874	38,486
Additional receivables (Intra-company loans)	–	–	–	–
Interest income on loans	–	–	3,075	3,117
Translation differences	–	–	9,245	332
Transfer to current receivables	–	–	–	-5,360
Impairment of intra-company receivables	–	–	-8,940	-701
Carrying amount at year-end	**–**	**–**	**39,255**	**35,874**

NOTE 19 ADVANCE PAYMENTS TO SUPPLIERS

	Group		Parent company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Advance payments to suppliers	1,755	3,433	1,755	3,433
Total	**1,755**	**3,433**	**1,755**	**3,433**

ACCOUNTING POLICIES

Partial payments for services are issued to major suppliers before the services are received by the Group in good order or rendered satisfactorily. Advance payments in foreign currencies are measured at their historical cost. Expenses are recognized in Income statement at the time the performance of services takes place and the request is submitted, and thus are reported as expenses for that period.

NOTE 20 OTHER RECEIVABLES

	Group		Parent company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Receivables attributable to VAT	960	430	918	403
Other receivables	4,093	50	4,093	50
Total other receivables	**5,054**	**480**	**5,011**	**453**

NOTE 21 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Prepaid rent	241	238	241	238
Prepaid insurance	364	420	364	385
Other items	417	530	399	506
Total	**1,022**	**1,188**	**1,004**	**1,129**

NOTE 22 FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Parent Company	
SEK in thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Financial assets				
Financial assets at fair value through profit/loss				
Fixed income fund	–	–	–	–
Financial assets at amortized cost				
Other receivables	5,054	480	5,011	453
Cash and bank balances	75,256	21,855	74,440	8,199
Total financial assets	**80,310**	**22,335**	**79,451**	**8,652**
Financial liabilities				
Financial liabilities at fair value through profit/loss				
Warrants	18,156	–	18,156	–
Financial liabilities at amortized cost				
Accounts payable	4,733	1,525	4,632	1,489
Short-term interest bearing liabilities	25,225	–	25,225	–
Total financial liabilities	**48,114**	**1,525**	**48,013**	**1,489**

ACCOUNTING POLICIES

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

Classification and subsequent measurement

The Group classifies its financial instruments in the following categories according to IFRS 9: financial assets valued at fair value either via the income statement or other comprehensive income or financial assets valued at the amortized cost. The classification of investments in debt instruments depends on the Group's business model for handling financial assets and the contractual terms for the cash flow of the assets.

Amortized cost: Assets that are held for the purposes of collecting contractual cash flows, and where the cash flows only constitute capital amounts and interest are valued at the amortized cost. They are included under current assets, with the exception of items maturing more than 12 months after the balance sheet date, which are classified as non-current assets. Interest income from these financial assets is recognized using the effective interest method and included in financial income. The Group's financial assets that are valued at the amortized cost are made up of the items other receivables, and cash and cash equivalents.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost are measured at fair value through profit and loss. A gain or loss on a financial debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the financial net in the period in which it arises. Interest income from these financial assets is included in the financial net using the effective interest rate method. The fixed income fund has been valued and classified according to fair value via the Income Statement with level 1 in the valuation hierarchy based on listed prices on a traded market.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Derecognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control of the asset.

Impairment of financial assets

Upon every reporting occasion, the Group examines whether there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence consists of observable conditions that have occurred and have a negative impact on the possibility to recover the acquisition value.

Financial liabilities

Classification and subsequent measurement

All of the Groups financial liabilities, excluding derivatives, are classified as subsequently measured at amortized cost.

Interest-bearing liabilities

The accounting policies for interest-bearing lease liabilities are presented in Note 16, Right-of-use assets Lease liabilities.

In February 2024, Ascelia Pharma secured financing of SEK 35 million from Fenja Capital II A/S consisting of SEK 20 million loan and SEK 15 million convertibles. During the year, SEK 7.5 million of the convertible bonds were amortized. The remaining funding is due on 31 December 2025. Fenja has the right to request conversion of the

Note 22, cont.

convertibles into ordinary shares at a conversion price of SEK 3.38 per share.

The fair value of the debt component of a convertible bond is calculated using a discount rate which is based on the market rate for a debt with the same terms without the conversion right to shares. The amount is reported as debt at amortized cost until the debt is converted or matures. The conversion right is initially reported as the difference between the fair value of the entire compound financial instrument and the fair value of the debt component. The value of the conversion right is reported in equity.

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently recognized at amortized cost and any difference between the amount received (net of transaction costs) and the repayment amount is recognized in the income statement over the loan period, using the effective interest method.

Accounts payable
Accounts payable are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if they fall due within one year or earlier. If not, they are recognized as long-term liabilities.

Derivative instruments and hedging instruments
The Rights Issue carried out in September 2024 generated an issuance of 20,773,992 warrants series TO 1. The warrants are valued at fair value based on the necessary variables using a Monte Carlo simulation. A first valuation was madeafter the Rights Issue in September, which yielded a value of SEK 12.4 million. This value is recognized as a liability on the balance sheet. A new fair value is calculated at each quarterly period. On December 31, 2024, the value of the warrants was SEK 18.2 million, which generates a financial cost of SEK 5.8 million in 2024 without cash impact, see note 11 value change warrants.

Fair value valuation by valuation hierarchy
The following is an explanation of the three levels described in the accounting standards.

- Level 1: Fair value of financial instruments traded on an active market (such as listed derivatives and equity-related securities) is based on quoted market prices at the balance sheet date. The quoted market price used for the Group's financial assets is the current bid price. The quoted market price includes market assumptions with respect to changes in the economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

- Level 2: Fair value of financial assets that are not traded on an active market (e.g. OTC derivatives) is determined using valuation techniques that are based as much as possible on market information, while company-specific information is used as little as possible. All material inputs required for the fair valuation of an instrument are observable.

- Level 3: In cases where one or more material inputs are not based on observable market information. This applies, for example, to unlisted equity instruments and to instruments where climate risk gives rise to a significant unobservable adjustment.

The warrants series TO 1 are classified as level 2.

The Management considers that the carrying amounts of all financial assets and liabilities constitute a reasonable approximation of their fair value.

Derecognition
Financial liabilities are derecognized when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. The Group chooses between different methods and makes assumptions that are mainly based on market conditions that apply at the end of each reporting period. The chosen valuation technique includes all the factors that market participants would take into account when pricing of a transaction.

The estimated fair value of the warrants on the grant date was approximately SEK 12.4 million. The fair value of the warrants is calculated using a generally accepted modeling technique, Monte Carlo simulation, to simulate the future development of the share price. The value of the warrants as of the balance sheet date is based on the following data:

- Risk-free interest rate: 2.35 percent
- Calculated volatility in the company's share price: 59 percent

NOTE 23 EQUITY

Share capital	Number of shares	
	2024	2023
At beginning of year		
Ordinary shares	33,757,746	33,668,262
C-shares	1,113,431	1,202,915
Number of shares outstanding	**34,871,177**	**34,871,177**
Ordinary shares: Convertion from C-shares	26,310	89,484
C-shares: Convertion into ordinary shares	-26,310	-89,484
New issue of ordinary shares	62,321,976	–
At year-end		
Ordinary shares	96,106,032	33,757,746
C-shares	1,087,121	1,113,431
Number of shares outstanding	**97,193,153**	**34,871,177**

Translation reserve	Group	
SEK in thousands	2024	2023
Opening balance	671	972
Exchange differences	303	-301
Closing balance	**974**	**671**

ACCOUNTING POLICIES

Equity is divided between capital attributable to Parent Company shareholders and non-controlling interests. Value transfers in the form of e.g. dividends from the Parent Company and the Group shall be based upon the Board's established statement on the proposed dividend. This statement has to take into account the legal precautionary rules to avoid dividends greater than what financial coverage exists for.

Share capital
Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or options are recognized net after tax in equity as a deduction from the issue settlement. As per December 31 2023 the share capital consisted of 33,757, 746 ordinary shares and 1,113,431 Class-C shares with a quota value of SEK 1 per share. All shares are fully paid. One ordinary share entitles the holder to one vote and one C-share to one-tenth of a vote. All shares entitle the holder to the same proportion of assets and earnings, and carry equal rights in terms of dividends that is determined in due course.

Translation reserve
The translation reserve covers all exchange rate differences that arise in translating the financial statements of foreign entities whose financial statements were prepared in currencies other than the Group's presentation currency. The parent company and the Group present their financial statements in SEK. When control of a foreign operation ceases, the accumulated translation differences attributable to the operation are realised, at which point they are reclassified in equity to profit/loss for the year. In the case of a sale where the controlling interest still exists, a proportional share of the cumulative translation differences is transferred from the translation reserve to non-controlling interests.

Parent company

Restricted reserves
Restricted reserves cannot be reduced through distribution of profits.

Non-restricted equity
Together with profit/loss for the year, the following funds make up non-restricted equity – that is, the amount available for dividends to the shareholders:

Share premium reserve
When shares are issued at a premium – that is, when the amount paid for shares exceeds their nominal price – an amount equivalent to the amount received in excess of the share's nominal value is transferred to the share premium reserve.

Profit/loss brought forward
Profit/loss brought forward consists of the previous year's profit/loss brought forward and profit after being reduced by paid-out dividends.

NOTE 24 ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent company	
SEK in thousands	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Accrued salaries, including bonus	1,117	1,323	1,117	1,323
Accrued vacation pay	2,026	2,263	2,026	2,263
Accrued social security costs	1,123	2,607	1,123	2,607
Accrued social security costs for share based program	86	192	86	192
Other accrued expenses	8,381	2,134	8,331	2,037
Total	**12,733**	**8,519**	**12,683**	**8,422**

NOTE 25 CONTINGENT LIABILITIES

	Group		Parent company	
SEK in thousands	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Committments*	11,540	11,489	11,540	11,489
Total contingent liabilities	**11,540**	**11,489**	**11,540**	**11,489**

*The committments refer to potential bonus payment of SEK 10 million to Pebean ApS and potential payment to Herlev hospital of DKK 1 million in case of potential outlicensing of Oncoral or a sale of Oncoral. Pebean ApS has the right to receive a bonus of maximum SEK 10 million if commercialization occurs through a sale or an outlicensing and SEK 12 million if commercialization is carried out by Oncoral Pharma ApS or Ascelia Pharma AB itself. Regardless the commercialisation method, Oncoral Pharma ApS has the right to, at any time, finally settle Pebean ApS right for remuneration by payment of SEK 10 million.

NOTE 26 SPECIFICATION FOR NON-CASH ITEMS

	Group		Parent company	
SEK in thousands	**2024**	**2023**	**2024**	**2023**
Expensed share based remuneration				
Expensed remuneration	4,446	3,088	4,446	3,088
Expensed social security costs	-106	-157	-106	-157
Adjustments for items not included in cash flow				
Depreciation of equipment	74	74	74	74
Depreciation of right-of-use assets	864	975	–	–
Disposal of right-of-use assets	–	-49	–	–
Impairment of receivables	–	–	–	-233
Arrangement fee	-888	–	-888	–
Exchange differences	-1	-336	–	-333
Total adjustments	**4,389**	**3,595**	**3,526**	**2,439**

Cash and cash equivalents	Group		Parent company	
SEK in thousands	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Cash and bank accounts	75,256	21,855	74,440	8,199
Total cash and bank accounts	**75,256**	**21,855**	**74,440**	**8,199**

"Cash and cash equivalents" in the balance sheet and cash flow statement refers solely to cash and bank accounts. No outstanding fixed income funds are placed during 2024.

ACCOUNTING POLICIES

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. The recognized cash flow covers only transactions resulting in receipts or disbursements.

In addition to cash and bank balances, cash and cash equivalents also include short-term financial investments that are subject to only a negligible risk of value fluctuation and which can be traded on an open market in known amounts or which have a remaining term of less than three months from the acquisition date.

NOTE 27 TRANSACTIONS WITH RELATED PARTIES

Related parties with subsidiaries and senior executives
The parent company has a close relationship with its subsidiaries, see Note 17, Shares in group companies. Information about remuneration to senior executives is provided in Note 7, Employees, employee benefit expenses and remuneration to the Board.

Purchasing of services from related parties
No significant transactions with related parties have occurred during the period.

ACCOUNTING POLICIES

Transactions with related parties
Transactions have been made with related parties on terms equivalent to those that prevail in commercial transactions.

The internal prices of provided services between Group companies are based on the arm's-length principle (i.e. between parties that are independent of each other and well informed and that have an interest in the transactions).

NOTE 28 EVENTS AFTER THE BALANCE SHEET DATE

On 27 January 2025, Ascelia Pharma announced the acceptance of three scientific abstracts with SPARKLE Phase 3 data for presentation at the ESGAR 2025 congress.

On 30 January 2025, Ascelia Pharma sent out a notice for an Extra General Meeting (EGM) to vote on a proposal to introduce an employee stock option program.

On 12 February it was announced that the Nomination Committee in preparation for the Annual General Meeting (AGM) on 7 May 2025 has been appointed.

On 25 february the bulletin from the Extraordinary General Meeting held on 25 February was announced.

On 18 March Ascelia Pharma announced positive outcomes of the FDA meeting and confirmed plan to submit the NDA for Orviglance mid-2025.

On 31 March Ascelia Pharma announced the determined subscription price SEK 2.15 for warrants series TO 1 and that the exercise period is initiated on 1 April 2025.

On 4 April Ascelia Pharma announced the acceptance of an abstract at the ISPOR 2025 conference.

On 8 April Ascelia Pharma announced the acceptance of a study with Orviglance for publication in Investigative Radiology.

NOTE 29 APPROPRIATION OF THE COMPANY'S LOSS

The following amounts in SEK are at the disposal shareholders' AGM

Parent company	
Share premium reserve	721,749,622
Loss brought forward	-622,122,943
Loss for the period	-75,831,022
Total	**23,795,657**

The Board proposes the following appropriation of funds and non-restricted reserves:

To be carried forward	23,795,657
of which to share premium reserve	721,749,622

DECLARATION AND SIGNATURES

Ascelia Pharma AB (publ), 556571-8797

The Board of Directors and the CEO confirm that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards, IFRS, as adopted by EU. The annual accounts and the consolidated accounts give a true and fair view of the Group's and Parent Company's financial position and profit. The Board of Directors' Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and profit, and describes significant risks and uncertainty factors that the Parent Company and Group companies face.

Malmö, 11 April 2025

Peter Benson
Chairman of the Board

Lauren Barnes
Director of the Board

Marianne Kock
Director of the Board

Hans Maier
Director of the Board

Niels Mengel
Director of the Board

Helena Wennerström
Director of the Board

Magnus Corfitzen
Chief Executive Officer

Our auditors' report was submitted on
11 April 2025, Öhrlings PricewaterhouseCoopers AB

Mikael Nilsson
Authorised Public Accountant

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

AUDITOR'S REPORT

To the general meeting of the shareholders of Ascelia Pharma AB (publ), corporate identity number 556571-8797

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Ascelia Pharma AB (publ) for the year 2024 except for the corporate governance statement on pages 39-49. The annual accounts and consolidated accounts of the company are included on pages 33-84 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 parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our statements do not include the Corporate Governance Report on pages 39-49. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Material uncertainty regarding the going concern assumption

Without prejudice to our statements above, we would like to draw attention to the administration report on page 34, which states that the company has a forecasted liquidity that extends until late 2025. This liquidity excludes the repayment of the remaining debt of SEK 27.5 million to Fenja. Furthermore, it is clear that financing from both the warrants and a potential collaboration agreement are important contributors to ensuring that the company has liquidity for continued operations further into 2026 and beyond. This situation indicates that there is a material uncertainty that may lead to significant doubts about the company's ability to continue operations.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. In addition to the matter described in the section Material uncertainty regarding the going concern assumption, we have determined that the matters we describe below are the particularly significant areas to be communicated in this report.

Key audit matter	*How our audit addressed the Key Audit Matter*
Acquired development projects and shares in subsidiaries and receivables from Group companies In June 2017, Ascelia Pharma acquired Oncoral Aps, which conducted research and the development project Oncoral. The research projects have not yet been completed and depreciation has not begun. As of December 31, 2024, the value of acquired development projects amounts to a total of SEK 57 million in the statement of financial position for the Group.The value of shares in subsidiaries amounts to SEK 58 million and short- and long-term receivables from subsidiaries amount to SEK 42 million in the balance sheet of the Parent Company. According to IFRS, fixed assets that are not depreciated must be tested for impairment at least annually. The test means that management needs to apply assessments and estimates about the future to ensure the book value. The company performs an annual impairment test for the acquired development costs. Given the size of the amounts and the impact of the management's assumptions on the result of this impairment test, we have assessed this to be a significant area. A description of the company's impairment test process is provided in the section "Important estimates and judgments" in Note 14. Note 14 contains further description of the impairment test for the year, including significant assumptions.	In our audit, our task is to evaluate and review the Company's application of the accounting principles and evaluate the data that forms the basis for the impairment test. Our review has included, but is not limited to; -Review of the mathematical model used in the impairment test with respect to its theoretical and mathematical accuracy -Challenged management in the assumptions made regarding, among other things, future sales levels and discount rates and probability weights -Compared management's assumption against comparable external data. We have also obtained management's comments on the development of the research projects and the results presented through the company's press releases.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-32 and 89-91. The other information also includes the Remuneration Report which we received before the signing date of this Auditor's report The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated 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

The auditor's examination of the administration of company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Ascelia Pharma AB (publ) for the year 2024 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 Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Ascelia Pharma AB (publ) for the financial year 2024.

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

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

Basis for Opinion

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

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

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 39-49 has been prepared in accordance with the Annual Accounts Act.

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

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

Öhrlings PricewaterhouseCoopers AB, Box 4009, 203 11 Malmö, was re-appointed auditor of Ascelia Pharma AB (publ) by the general meeting of the shareholders on the 6 May 2024 and has been the company's auditor since the introduction on Nasdaq Stockholm, 13 March 2019.

Malmö, 11 April 2025
Öhrlings PricewaterhouseCoopers AB

Mikael Nilsson
Authorized Public Accountant

GLOSSARY

Abbreviated New Drug Application (ANDA)
An application submitted to the FDA for the review and potential approval of a generic drug product.

Ablation
Destruction of a body part or tissue or its function. Ablation may be performed by surgery, hormones, drugs, radiofrequency, heat, or other methods.

Active pharmaceutical ingredient (API)
The ingredient in a pharmaceutical drug that is biologically active used similar to ”Active substance/ingredient” below.

Active substance/ingredient
The ingredient in a pharmaceutical drug that is biologically active.

Acute kidney injury (AKI)
An abrupt loss of kidney function.

Advanced cancer
Cancer that has grown outside the organ it started in.

Bioequivalence studies
Studies to prove that a product is bioequivalent, i.e. pharmaceutically equivalent, to another drug. Bioequivalence studies are required in an ANDA.

Blinded study
A study in which information about the test is masked to reduce or eliminate bias.

Chemotherapy
A type of cancer treatment that uses one or more anti-cancer drugs.

Chronic kidney disease (CKD)
A progressive loss in kidney function over a prolonged time period.

Clinical studies
Studies on healthy or non-healthy individuals to study the effects of a drug or a treatment method.

Colorectal cancer
Refers to cancer developing in the large intestine, usually in the rectum or colon.

Computed tomography scan (CT Scan)
A type of scanning method, in which many two-dimensional pictures are computer-processed to create a three-dimensional picture.

Contrast agent/imaging drug
A substance used to enhance the contrast in medical imaging.

Cytotoxic drug
A type of drug used within chemotherapy.

Data exclusivity
In this context a term to describe the time-period in which no ANDA can be approved based on the exclusive data for the drug.

Embolisation
A procedure using particles, such as tiny gelatin sponges or beads, to block a blood vessel. Embolisation may be used to stop bleeding or to block the flow of blood to a tumor or abnormal area of tissue.

European Medicines Agency (EMA)
European agency responsible for evaluation of medicinal products.

Focal liver lesion
Localized changes in liver tissue.

Food and Drug Administration (FDA)
US federal agency responsible for evaluation of medicinal products.

Food effect bioavailability study
A study with the objective to evaluate the effect of food on the bioavailability of a drug.

Gadolinium
A heavy metal used as a contrast enhancer, see ”Gadolinium-based contrast agent (GBCA)” below.

Gadolinium-based contrast agent (GBCA)
A contrast agent based with gadolinium as a contrast enhancer.

Generic Drug
A pharmaceutical that is equivalent to a brand-name product in dosage, strength, route of administration, quality, performance and intended use.

Good Clinical Practice (GCP)
An international quality standard for the performance of clinical studies.

Good Manufacturing Practice (GMP)
A set of manufacturing guidelines set up by the authorization agency for medicinal products. GMP can differ depending on the authority.

HER2
A gene that can play a role in the development of certain cancer forms.

Incidence
A measure of the probability of occurrence of a medical condition in a population.

Infusion
A continuous injection of a substance into the body.

In vitro studies
Studies performed outside of the normal biological context. Often used to refer to studies outside of the body.

In vivo studies
Studies performed in a living organism, for example in humans.

Listed drug
A new drug approved for sale (distinguished from generic drugs).

Magnetic resonance imaging (MRI)
A medical imaging technique used in radiology.

Market exclusivity
In this context, the period following regulatory approval of an orphan drug in which no marketing authorization will be accepted for the same therapeutic indication.

Metastases
The spread of a cancer to a different part of the body.

Nephrogenic systemic fibrosis (NSF)
A serious condition involving fibrosis of skin, joints, eyes, and internal organs.

Orphan Drug
A pharmaceutical agent that has been developed specifically to treat a rare medical condition.

Positron emission tomography (PET)
An imaging technique used to observe metabolic processes in the body.

Pre-clinical research
The research phase before clinical studies where initial drug safety data are collected.

Prevalence
The proportion of a population suffering from a certain disease.

Primary tumor
The first cancer tumor formed.

Special populations study
Studies within a certain population, such as the elderly, populations with certain impairments or diseases, etc.

Targeted agent
Agents interfering with specific molecules that are part of the cancer growth.

ALTERNATIVE PERFORMANCE MEASURES

Definition of alternative financial performance measures

Alternative performance measures	Definition	Aim
Operating results (TSEK)	Profit before financial items and tax.	The performance measure shows the company´s operational performance.
Research and development costs/operating costs (%)	The research and development costs in relation to total operating costs (consisting of the sum of administrative costs, R&D, commercial preparation costs and other operating costs).	The performance measure is useful in order to understand how much of the operating costs that are related to research- and development expenses.

Reconciliation table for alternative performance measures for the Group

SEK in thousands	2024	2023
R&D costs	-50,798	-81,266
Administration costs	-17,995	-19,774
Commercial preparation costs	669	-10,438
Other operating costs	-100	-1,023
Total operating costs	**-68,225**	**-112,501**
R&D costs/Operating costs (%)	**74%**	**72%**

Financial calendar

Annual General Meeting 2025:	7 May 2025
Interim report Q1 2025 (Jan-Mar):	16 May 2025
Half-year report H1 2025 (Jan-Jun):	21 August 2025
Interim report Q3 2025 (Jan-Sep):	5 November 2025
Full-year report 2025 (Jan-Dec):	5 February 2026

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