CombiGene

Approximately 20-25 percent of the world's adult population suffers from some form of chronic pain and between six and eight percent of the population suffers from severe chronic pain. CombiGene's ambition is to develop effective pain therapies that do not have the severe side effects associated with today's treatments.

Annual Report

2023

Content

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 823282

CombiGene's projects CGT2 and COZY01 are supported by the Eurostars Programme. Project ID's: 114714 and 4408, respectively.

Summary of the report

Events during the first quarter of 2023

- CombiGene enters into a collaboration agreement with the Danish company Zyneyro for the development of a unique concept for effective relief of chronic pain. The agreement with Zyneyro is a cooperation agreement which means that Zyneyro and CombiGene share the project's costs and revenues equally. In accordance with the agreement, CombiGene has paid Zyneyro an upfront of DKK 5 million, corresponding to SEK 7.5 million, in connection with the signing of the agreement. CombiGene has also undertaken to pay an additional maximum of DKK 11.4 million in continued development support towards a clinical study in phase 1.
- Doctoral thesis at the University of Copenhagen confirms the pain-relieving effect of COZY01 and COZY02.

Events during the second quarter of 2023

- Gene Therapy, one of Nature's journals, publishes an article about CombiGene's epilepsy project written by Esbjörn Melin, Scientist at CombiGene.
- High activity level in the COZY pain program regarding preparations for the final preclinical toxicology program in the peptide project COZY01.
- CombiGene will play a significant role in the development of a national infrastructure for ATMPs. CombiGene's CEO Jan Nilsson elected Chairman of the Board of CCRM Nordic AB.
- CombiGene establishes a prominent scientific advisory board within the COZY pain programme.

Events during the third quarter of 2023

- Jan Nilsson leaves his position as CEO of CombiGene – COO Peter Ekolind takes over as new CEO on September 1, 2023.
- The epilepsy project is advancing through optimization activities of CGO1 for studies in humans.
- CombiGene has chosen a CDMO partner for the COZY01 pain project.

Events during the fourth quarter of 2023

- Spark Therapeutics terminates the collaboration agreement for the epilepsy project CG01 with CombiGene.
- CombiGene and Zyneyro choose the first indication in the COZY01 pain project.
- CombiGene chooses Charles River as its preclinical toxicology partner in the COZY01 pain project.
- Eurostars contributes SEK 8.7 million to the financing of the COZY01 pain project.

Events after the end of the year

- CombiGene regains the global rights to the epilepsy project CG01.
- CombiGene discontinues the preclinical development of the lipodystrophy project CGT2.
- The Danish company Orphazyme acquires 10 percent of the shares in CombiGene.
- CombiGene's epilepsy project CG01 is granted patents in two new countries.

Financial information

- Net sales: SEK 5,544 thousand (26,699).
- Other operating income: SEK 1,464 thousand (14,548).
- Profit/loss after financial items: SEK -35,665 thousand (-6,157).
- Earnings per share: SEK -1.80 (-0.31).
- Cash and cash equivalents: SEK 101,440 thousand (131,777).

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Reading instructions

Figures in parentheses refer to the corresponding period of the previous year.

CombiGene at a glance

A peptide treatment and a gene therapy with a unique mechanism of action for the treatment of severe pain

Pain costs the American society USD 635 billion each year

The COZY pain program is being developed together with Zyneyro. Both the peptide and the gene therapy are being developed for the treatment of severe chronic pain conditions where the gene therapy is reserved for patients where the possibility of spontaneous reduction of pain is considered to be excluded (or unlikely). The peptide-based therapy is expected to be ready for studies in humans within a few years, while gene therapy will need a few more years to reach the same point in its development.

The out-licensing of CG01 2021 strengthened CombiGene's financial position by SEK 84.5 million

We have a cash position that makes it possible for us to continue to develop CombiGene

The agreement with Spark Therapeutics strengthened CombiGene's financial position in one fell swoop. The company received USD 8.5 million in an upfront payment in connection with the signing of the agreement. Until the agreement was terminated, Spark also assumed all of CombiGene's internal and external costs for the CG01 project.

Ambition to expand project portfolios by entering into strategic partnerships with early-stage researchers

CombiGene evaluates a number of interesting projects

Developing new therapies takes a long time and requires significant financial resources. CombiGene's evaluation of potential projects is therefore a thorough process based on a number of key criteria. The work includes, among other things, a review and analysis of intellectual property issues, preclinical data, intended contract structure, size of patient population, medical need, competitive situation, and the project's commercial conditions.

Strong team of employees with extensive experience from the international pharmaceutical industry and biotechnology

CombiGene's expertise is complemented by a network of world-leading partners

CombiGene has an average of 8 employees. Our team consists of knowledgeable and experienced employees with extensive experience in drug development from both large international pharmaceutical companies and biotech companies. The team has thorough knowledge of different parts of the drug development chain and gene therapy development.

CombiGene has successfully strengthened its cash position without asking the company's owners for additional capital

37 percent of the activities are funded by grants and upfront payments

CombiGene is strategically active in raising non-dilutive capital. We have raised so-called soft money in various types of grants from Horizon 2020, Eurostars and Vinnova for CG01 and CGT2 as well as COZY01. In total, the grants for these three projects amount to approximately SEK 47 million. To this can be added the upfront payment of USD 8.5 million we received from Spark in connection with the out-licensing of CG01.

In total, CombiGene's project has thus raised and been granted approximately SEK 132 million in non-dilutive capital, which can be put in relation to the SEK 227 million received from shareholders since the IPO in 2015. The most recent rights issue took place three years ago. Research grants and the upfront payment from Spark have thus financed CombiGene's operations to approximately 37 percent.

CombiGene turns to the future

2023 was a year of mixed development in CombiGene's projects. Within the COZY pain program, which was in-licensed in January 2023, we have seen several important advances in the peptide-based project COZY01 during the year. In the epilepsy project CG01, we regained the global rights from Spark in January 2024 after Spark in October 2023 chose to terminate the collaboration and licensing agreement that was signed two years earlier. The reason why Spark chose to end the collaboration was a strategic audit of the company's pipeline. Our ambition now is to find a new partner who can continue the development work with CG01. At the beginning of 2024, we decided to discontinue the development of the lipodystrophy project CGT2.

The fact that Spark chose to end the collaboration within the epilepsy project was a business setback. At the same time, strategic decisions like this are something that you have to be prepared for when working with large pharmaceutical companies.

Of course, we would also have liked the studies we conducted within the lipodystrophy project to have generated conclusive and robust data. However, there are positive things that we take with us as we now turn our gaze to 2024. Through their work, Spark has added value to the CG01 project, and it is our stated ambition to find a new partner for this project. The discontinuation of the CGT2 project means that we free up resources that can be used in other activities within the company. The winding down of the CGT2 project also illustrates how important it is that decisions about a project's further development are made at the right time and on conclusive data to ensure that financial and other resources are used where they create the most value for the company and its shareholders.

Progress in the COZY01 pain project

The termination of the collaboration with Spark and the discontinuation of the lipodystrophy project means that we are now focusing on the COZY01 pain project. During the year, we have continuously advanced our positions in this project. During the final quarter of the year, we decided, following the recommendation of our Scientific Advisory Board, to focus the first proof-of-concept study in humans on patients with pain associated with Herpes zoster (shingles). This is a relatively homogeneous patient group, which means that it is very well suited to study the effect of a COZY01 treatment. After the proof-of-concept has been shown, further development will focus on diabetic neuropathy, one of the most common chronic complications in diabetes. A common symptom of diabetic neuropathy is severe chronic pain. During the fourth quarter, we also chose Charles River as our preclinical toxicology partner for the project.

In December 2023, we were also reached by the news that Eurostars had chosen to invest close to SEK 8 million in the COZY01 pain project, which is extremely gratifying. Projects selected for funding under Eurostars must be innovative and have a clear market orientation. Only about 30% of all applications to Eurostars are successful, which underlines the rigor and selectivity of the selection process. The Eurostars funding thus constitutes a clear stamp of quality for the COZY01 project. The grant from Eurostars will finance key parts of the continued development of COZY01 and also means that the project has received a very important external validation.

Clear focus for 2024

CombiGene has two clear focus areas for 2024: continued development of the COZY pain program and business development. Within the COZY program, COZY01 has advanced the furthest, where we have the ambition to during the year complete the preclinical studies needed to initiate the preclinical toxicology program, which is the last step before a clinical trial application can be submitted.

In 2024, our business development will have two main tasks: to find a new partner for the epilepsy project CG01 and to find new interesting strategic research collaborations or in-licensing projects. Developments in 2023 have clearly shown how important it is for CombiGene to build up a broader project portfolio to further increase the opportunities for success.

Peter Ekolind
CEO

Strategy

Gene therapy has fantastic medical opportunities and a great commercial potential with a market which is expected to grow from USD 4.3 billion in 2023 to USD 15.7 billion in 2030.

CombiGene's business concept is to develop in-licensed gene therapy assets up to preclinical proof-of-concept and then out-license them to a global pharmaceutical company.

Our focus is on developing treatments for relatively common diseases.

We are working to develop gene therapies that treat relatively common diseases. Currently, we have two projects in pain, and one in epilepsy, but the ambition is to broaden our project portfolio further.

The agreement with Spark Therapeutics regarding out-licensing of the epilepsy project CG01 verified our business model and shows that we have the ability to sign large agreements with Big Pharma. The agreement with Spark provided the Company with USD 8.5 million in upfront payments.

The COZY pain program, which we are developing together with the Danish company Zyneyro, is extremely interesting from several aspects. Chronic pain plagues millions of people worldwide and causes enormous costs to society. In the United States, pain is estimated to cost society USD 635 billion each year. By comparison, the cost of cardiovascular disease amounts to USD 309 billion a year.

Peter Ekolind
CEO

Strategy and business development

CombiGene develops groundbreaking gene therapies with the ambition to be able to offer patients affected by severe life-changing diseases opportunities for a better life. We bring in research assets from industry or academia and develop them further through the preclinical phase up to preclinical/clinical proof-of-concept and then out-license them to a Big Pharma company for continued clinical development and commercialization.

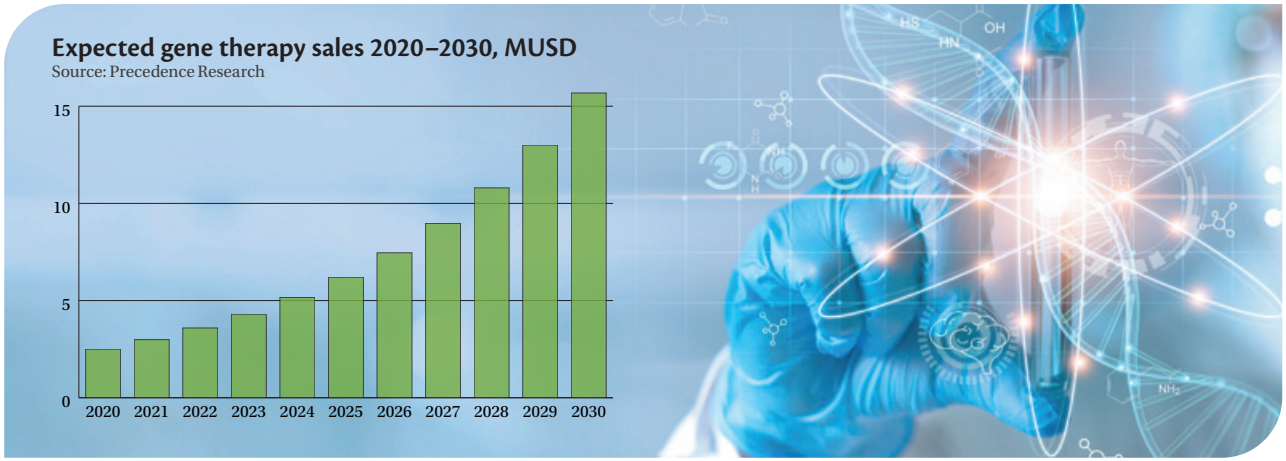
Gene therapy has amazing medical possibilities

There are a large number of diseases that today either require lifelong medical treatment or that have no effective treatments at all. It is precisely these diseases that are the focus of development since gene therapy has the unique possibility to replace defective/missing genes or change the expression of existing genes. In concrete terms, this means that gene therapy in some cases can cure a disease instead of just relieving symptoms, and that long-term effects can be achieved from one or a few treatments. Confidence in gene therapy is at a very high level, which is demonstrated, among other things, by the large number of clinical studies underway worldwide.

There are currently over 500 clinical studies in the field of gene therapy (Alliance for Regenerative Medicine, Q4 2023 Data). The main focus of the studies is in the field of oncology, but cardiovascular diseases and diseases related to the central nervous system are also common.

The commercial potential of gene therapy

Gene therapy is not only an interesting field of research. There are currently upwards of 20 approved gene therapies globally, six of which are with AAV's. The US Food and Drug Administration (FDA) has previously announced that it expects to approve 10 to 20 new cell and gene therapies annually from 2025 onwards. According to Precedence Research, the gene therapy market is expected to grow globally to USD 15.7 billion by 2030.



Extensive work to find new projects

CombiGene is currently working intensively to find interesting new projects in early stages of development that can be in-licensed at a low initial cost to complement the current project portfolio. The evaluation of potential projects is a structured and thorough process based on a number of key criteria. The work includes a review and analysis of intellectual property issues, preclinical data, intended contract structure, size of patient population and medical need, competitive situation, and the project's commercial conditions.

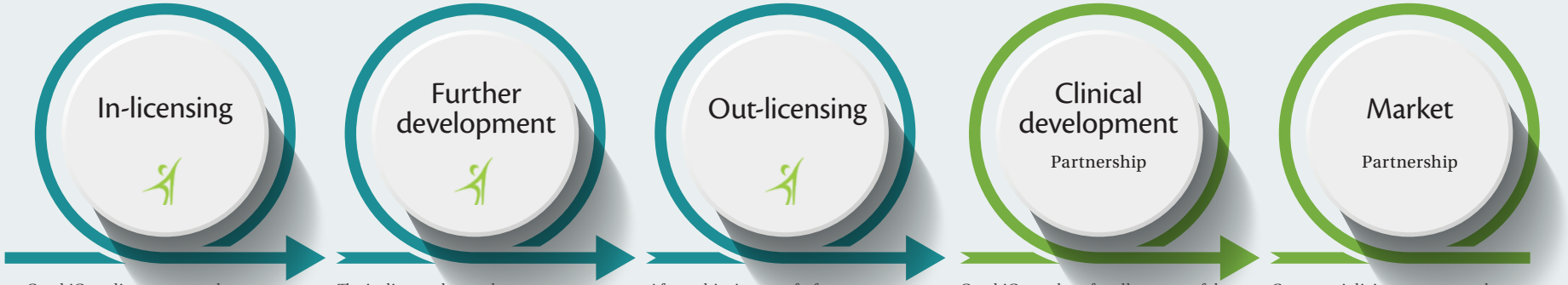
All of these criteria are important, and a weakness in one of them, such as an unclear intellectual property situation, means that CombiGene will choose not to proceed with the project.

CombiGene has identified a number of projects that could be interesting to license. These include projects for diseases of the central nervous system, eyes, and muscle diseases. CombiGene is currently conducting in-depth analyses of several projects.

The importance of a portfolio

Through the out-licensing of the epilepsy project CG01 to Spark Therapeutics in the autumn of 2021, CombiGene's financial position was strengthened, which enabled us to focus on in-licensing additional projects. The first concrete result of this was the cooperation agreement with Zyneyro which was signed at the beginning of 2023. Since then, we have continued to seek new research collaborations and projects with the ambition to build an increasingly broad portfolio over time. By having a broad portfolio of projects, we increase the chances of achieving commercial success.

CombiGene's business model



CombiGene licenses gene therapy assets that have been developed by external researchers in industry or academia.

The in-licensed gene therapy assets are further developed into preclinical/clinical proof-of-concept.

After achieving proof-of-concept, the projects are outlicensed to Big Pharma companies. At the time of out-licensing, as a rule, a so-called upfront payment is received.

CombiGene plans for all or parts of the clinical development that take a long time to conduct and require large resources to be handled by the project's licensees. During clinical development, so-called milestone payments are received.

Commercializing a new gene therapy for the global market requires significant resources. For CombiGene, it is therefore optimal to work with a well-resourced partner. During the commercial phase, royalties are received on sales.

In-licensing and proof-of-concept development
Since the company was first established, CombiGene has had the ambition to become a significant player in gene therapy and we have strengthened our organization in several key areas. Our way of working will continue to be the same, namely:

- In-licensing of new projects with high potential. The recent cooperation agreement with Zyneyro is an excellent example of this.
- Alliances with partners and service companies that make it possible for CombiGene to further develop licensed projects into preclinical proof-of-concept.
- Out-licensing of projects in late preclinical phase.

Development
In the spring of 2018, CombiGene had two employees and one project (the epilepsy project CG01) in the early preclinical phase. Today, CombiGene is a completely different company. The number of employees has grown to an average of eight people, and we have now in-licensed the pain program COZY.

Our development of new gene therapy assets has also attracted attention at EU level. In 2018, CombiGene's epilepsy project was awarded €3.36 million by Horizon 2020 and in 2021, the lipodystrophy project received €882,500 in development funding from the EU's Eurostars program. In December 2023, Eurostars announced that they are contributing SEK 8.7 million to the financing of the COZY01 pain project.

Over the past five years, CombiGene has also established collaborations with a number of CRO and CDMO companies, which has resulted in us having a business that includes all the components we need to successfully continue the development of our projects.

In the autumn of 2021, we achieved our biggest commercial success to date when we out-licensed the epilepsy project CG01 to Spark Therapeutics. On January 13, 2024, CombiGene AB (publ) regained the global rights to the project after Spark Therapeutics terminated the agreement three months earlier. CombiGene's ambition is to find a new partner who can take the project to clinical trials. Excluding compensation for ongoing development costs, CombiGene has received USD 8.5 million from Spark.

CombiGene is in the arena of gene therapy

Gene therapy is one of the most dynamic areas in today's drug development with a fantastic development of knowledge in several different disciplines. The major agreement with Spark Therapeutics made CombiGene an internationally recognized gene therapy company. Our work in lipodystrophy has also attracted international attention. The COZY pain program, which we run together with Danish Zyneyro, has already attracted international attention, for example through grants from Eurostars.

All in all, this means that CombiGene has built up a strong position in the field of gene therapy and that we are now an established player in the gene therapy arena. The benefits of this are significant in a number of areas. We can now much more easily get in touch with Big Pharma companies for discussions, our efforts to identify new potential projects are facilitated by the fact that we have shown that we can successfully take a preclinical project to out-licensing. CombiGene is also increasingly asked to present at various types of congresses and conferences.

CombiGene is part of Sweden's investment in advanced medicines

In March 2023, the Swedish government decided to commission Vinnova to establish a national innovation cluster for commercialization, skills development and production capacity for cell therapies and other advanced therapies such as gene therapy.

CombiGene has been involved in CCRM Nordic (Center for Commercialization of Regenerative Medicine), which has been a driving force in obtaining the approval of the national innovation cluster that the government has now decided on. As a gene therapy company, we naturally welcome the government's initiative that will strengthen Sweden's position in this very important area.

CombiGene is also part of GeneNova, a five-year interdisciplinary collaboration aimed at developing AAV-based gene therapies funded by academia and industry. The work is led by Professor Johan Rockström at KTH.

The EU has invested significant sums in CombiGene

The EU has also paid attention to CombiGene's research and development. In 2018, CombiGene received EUR 3.36 million for the continued development of the epilepsy project CG01, and in 2021, the lipodystrophy project CGT2 was awarded EUR 882,500. Most recently, the COZY01 project received SEK 8.7 million in funding from Eurostars. The grants from the EU have meant that CombiGene has been able to run the projects with full force and limited the need to raise new capital from the company's owners.

CombiGene's academic collaborations

Within the framework of the epilepsy project CG01, CombiGene has collaborated for many years with Lund University and the University of Copenhagen. During the preclinical development of the lipodystrophy project CGT2, CombiGene established collaborations with Stockholm University, University Medical Center Hamburg-Eppendorf, and the University of Michigan Medical School. The COZY pain program has its origins in academic research at the University of Copenhagen.

Sustainability

CombiGene's ambition is to develop therapies that treat severe diseases which currently lack effective treatment options. This means that we deal with complex scientific questions on a daily basis, the answers to which are rarely given in advance. Our preclinical development is strictly regulated to ensure that the therapies we develop are effective and safe. The preclinical development is also surrounded by a number of ethical considerations and all in vivo studies require regulatory approval before they can begin. In addition to this, CombiGene, like all companies, has to deal with a commercial reality and issues relating to the financing of our operations.

CombiGene's operations thus place very high demands on intellectual capacity and specific knowledge in all areas of drug development. It goes without saying that CombiGene's employees are the company's most important resource, and we work actively to recruit the very best employees and give them the opportunity to develop in an environment that is characterized by high demands, but also good opportunities to develop their professional skills.

Agenda 2030

Seen from the perspective of the UN's Agenda 2030, five goals are in particular focus for CombiGene.

Goal 3: Good health and well-being are at the core of our business and permeate our daily work. Every day, we take steps forward in our quest to improve the lives of those affected by serious illnesses.

Goal 4: Quality education is equally self-evident for CombiGene. Our business is entirely dependent on the skills of our employees, and we contribute to higher education in Sweden by collaborating with colleges and universities.

Goal 5: Gender equality is an integral part of all aspects of our business for the simple reason that we strive to create a business that is permeated by competence, broad perspectives and diverse experiences. The average number of employees in 2023 was eight, of which four were women and four men. Our management team consists of two women and one man.

Goal 8: Decent work and economic growth are obvious priorities for CombiGene and crucial to our continued success.

Goal 9: Industry, innovation and infrastructure is a goal that CombiGene supports through the innovative height of our operations. Much of what we do is done for the first time and our business has since the start stood for a significant development of knowledge. We also have in-depth collaborations with a number of prominent players in the various areas of gene therapy.

Financing of CombiGene

CombiGene's operations have so far largely been financed by our shareholders through various share issues, totaling SEK 227 million. In addition, CombiGene's project has received USD 8.5 million in upfront payments from Spark Therapeutics in connection with the out-licensing of the epilepsy project in the autumn of 2021 and SEK 47 million in various grants from the EU and Vinnova, including Eurostar's contribution of approximately SEK 8 million to the financing of the COZY01 pain project, which began to be paid out in 2024.

Thanks to the latest new share issue in the spring of 2021 and the upfront payment from Spark, CombiGene continues to have a good cash position that enables us to run our projects. CombiGene's Board of Directors and management continuously evaluate the Company's capital requirements.

Our Projects

CombiGene has two preclinical projects in the field of pain and one in epilepsy.

The COZY pain program consists of two separate projects with a unique opportunity to revolutionize pain management on a global scale.

The COZY pain program, which we are developing together with the Danish company Zyneyro, consists of two separate projects. Both the peptide and the gene therapy are being developed for the treatment of severe chronic pain conditions where the gene therapy is reserved for patients where the possibility of spontaneous reduction of pain is considered to be excluded (or unlikely). The peptide-based therapy is expected to be ready for studies in humans within a few years, while the gene therapy will need a few more years to reach the same point in its development.

At the beginning of 2024, we decided to discontinue the work on the lipodystrophy project CGT2 after the studies we conducted during the year did not deliver data that justified continued development.

On January 13, 2023, we regained the global rights to the epilepsy project CG01 from Spark Therapeutics. Our ambition is to find a new partner who can take the project to clinical trials.

Karin Agerman
Chief Scientific Officer

The pain program COZY – a unique opportunity for a breakthrough in pain management

The pain program COZY is being developed together with the Danish company Zyneyro with the goal of developing an effective treatment for severe chronic pain, a common and often difficult-to-treat condition. The program consists of two projects – a peptide treatment and a gene therapy treatment, both of which are based on a new biological mechanism of action that is expected to lack the side effects that today's treatments often give rise to.

Pain is a major global problem

Approximately 20-25 percent of the world's adult population suffers from some form of chronic pain and between six and eight percent of the population suffers from severe chronic pain. Conventional treatment consists primarily of anti-inflammatory drugs, antidepressants, antispasmodic drugs, and opioids (a group of substances with a morphine-like mechanism of action).[1]

The problem with these treatments is that they are not specifically developed to treat chronic pain. The pain relief that is achieved therefore often has a number of debilitating side effects such as substance abuse problems, depression, anxiety, fatigue, reduced physical and mental ability. In the US, an estimated 700,000 people have died due to opioid abuse in the last 20 years.

One program – two projects

The program consists of two projects: a peptide treatment (COZY01) and a gene therapy treatment (COZY02), which expresses the active part of the peptide from COZY01, with potential lifelong effect.

In severe chronic pain, the intention is to inject the peptide directly into the patient to achieve effective pain relief.

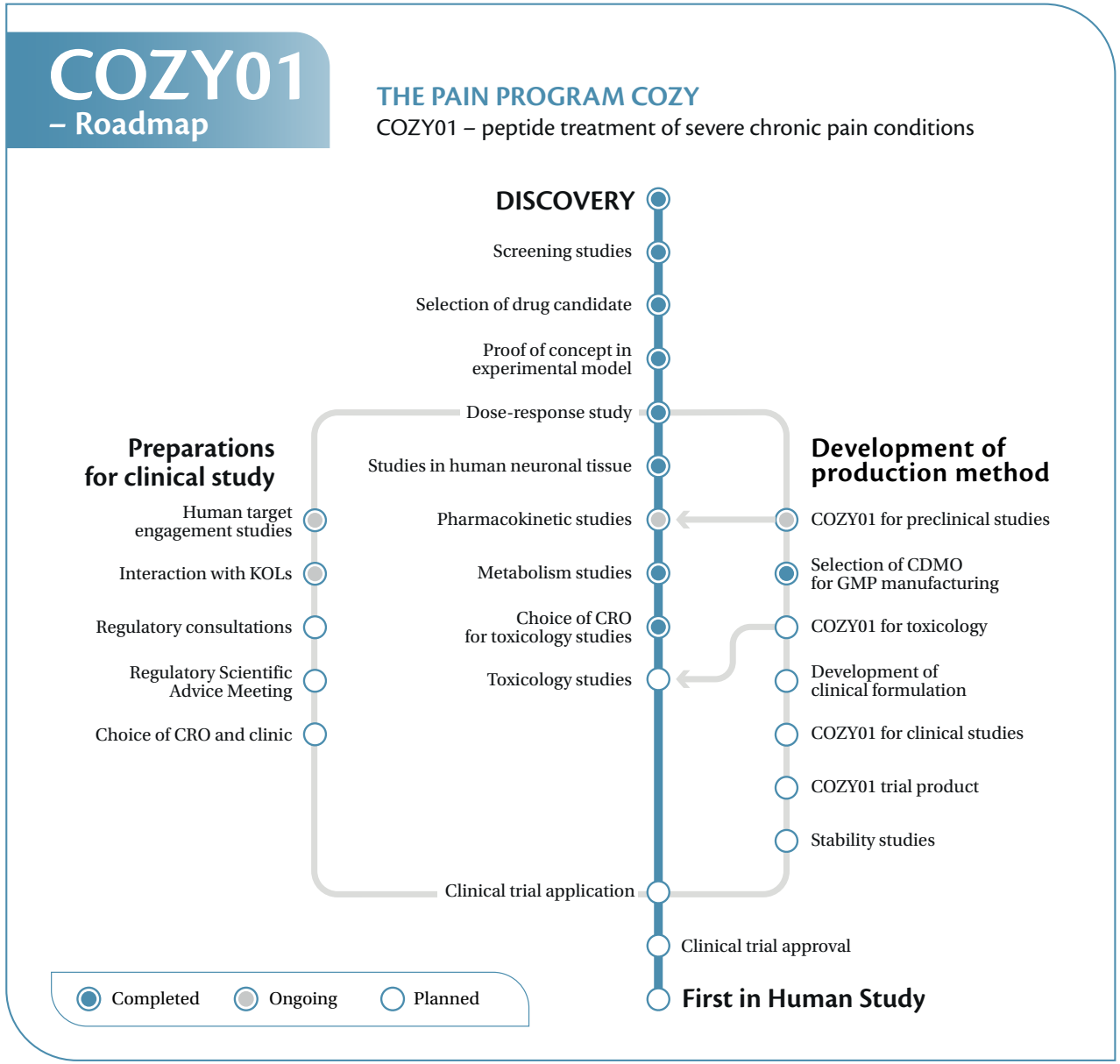
In severe chronic pain where the possibility of spontaneous reduction of pain is considered to be excluded or unlikely and in which conventional treatment requires daily medication, the intention is to achieve pain relief by treating the patient with an AAV vector that causes the body to produce the pain-relieving peptide itself. In this way, long-term pain relief can be achieved without daily medication. Since the AAV vector codes for the active part of COZY01, the mechanism of action and thus also the expected effect is the same as with direct administration of the peptide.

eurostars™ CombiGene´s project COZY01 is supported by the Eurostars Programme. Project ID: 4408.

Annual medical and indirect costs of various diseases in the United States

Källa: Relieving Pain in America: A Blueprint for Transforming Prevention, Care, Education, and Research. Appendix C. The Economic Cost of Pain in the US. Institute of Medicine (US) Committee on Advancing Pain Research, Care, and Education. Washington (DC): National Academies Press (US); 2011

1 Prevalence of Chronic Pain and High-Impact Chronic Pain Among Adults — United States, 2016; CDC; Morbidity and Mortality Weekly Report Weekly / Vol. 67 / No. 36 September 14, 2018



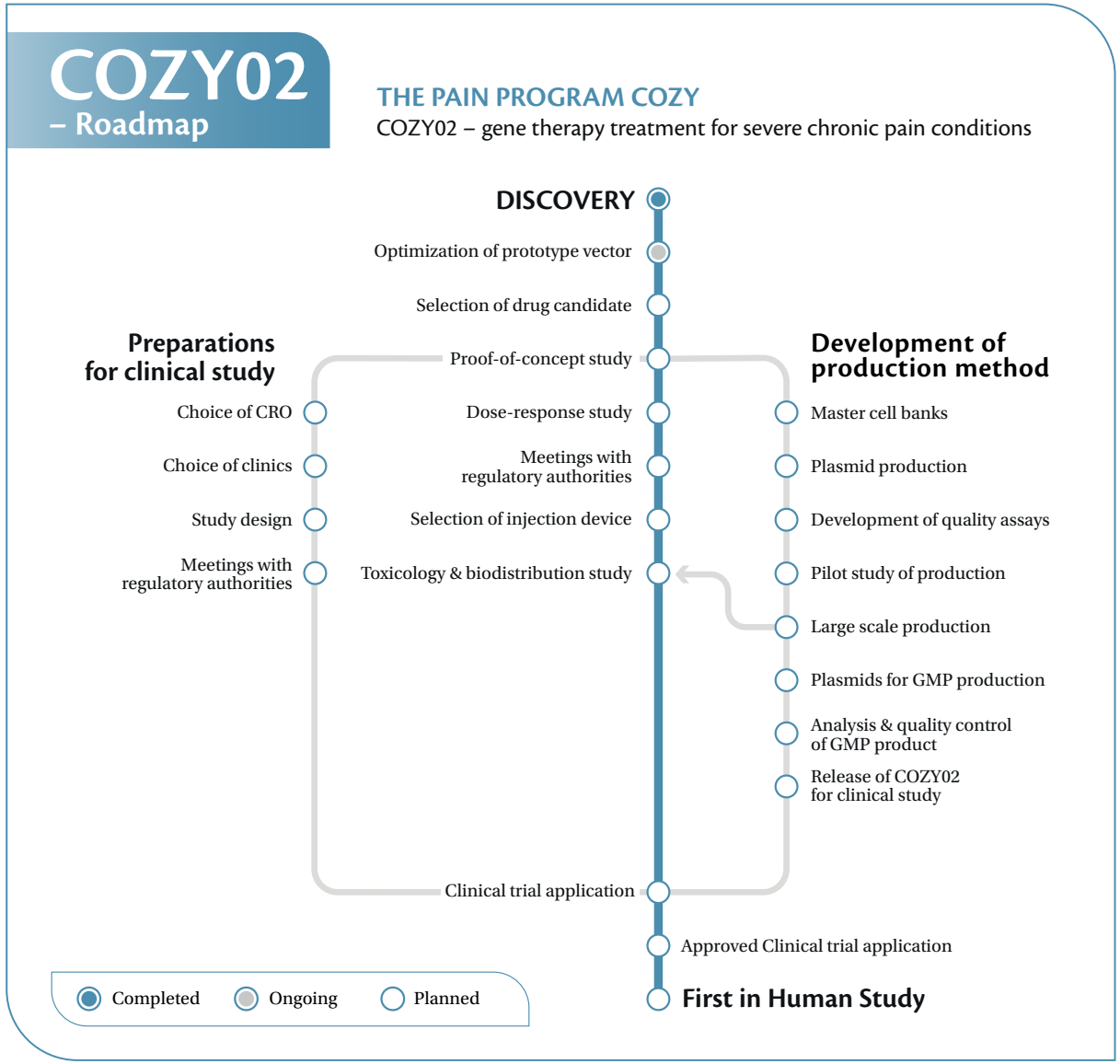
CombiGene´s project COZY01 is supported by the Eurostars Programme. Project ID: 4408.

COZY01 – peptide treatment of severe chronic pain conditions

The peptide treatment has shown good effects in various preclinical models. Further development will focus on conducting the necessary preclinical studies to evaluate safety and toxicology as quickly and efficiently as possible, as well as producing clinical trial material in order to obtain approval from regulatory authorities to conduct the first clinical trials in humans.

Activities and events during the year

- Doctoral thesis confirms the pain-relieving effect of COZY01 and COZY02. (Q1)
- Manufacture of COZY01 for preclinical studies. (Q2)
- A stability study with COZY01 has been initiated. (Q4)
- Preformulation work for further preclinical studies. (Q2)
- Procurement of: pharmacokinetic studies, human nervous tissue and metabolism studies. (Q2)
- Selection of the US company AmbioPharm as contract manufacturer/CDMO (Contract Development and Manufacturing Organization) partner. (Q3)
- Decision to focus the first study in humans on patients with pain associated with Herpes Zoster (shingles). (Q4)
- Selection of Charles River Laboratories as a partner in the peptide-based pain project COZY01. Charles River will perform the preclinical toxicology studies required to start the first human studies in the COZY01 project. (Q4)
- Decision from Eurostars to contribute SEK 8.7 million to the financing of the COZY01 pain project. (Q4)
- Preliminary tolerability and pharmacokinetic studies have been initiated to investigate the selection of animal species in the planned toxicological studies. (Q4)



COZY02 – gene therapy treatment of severe chronic pain

A prototype of the AAV vector that serves as a carrier of the genetic material in gene therapy has been developed by Zyneyro and tested in several preclinical models with very good and long-lasting effect. In 2023, we began work on optimizing the genetic material that will be included in the vector so that we can administer it in future human studies. AAV is the vector type that CombiGene has extensive experience of from our other projects. Once the vector is optimized, preclinical studies follow to investigate and characterize distribution, protein expression, efficacy, dose-response and toxicology.

In parallel with the preclinical development, we have started an evaluation of companies that can manufacture AAV vectors according to GMP to be used in our future toxicology and biodistribution studies as well as the first clinical trials.

CombiGene terminates the preclinical development of the lipodystrophy project CGT2

At the beginning of 2024, CombiGene AB decided to discontinue the preclinical development of the lipodystrophy project CGT2. After receiving data that was difficult to interpret during the course of the project, CombiGene conducted additional studies in 2023 to provide a basis for a correct assessment of the project. Now that these studies have been conducted, the Company can conclude that there is no data that justifies continued development. The lipodystrophy project was licensed from Lipigon Pharmaceuticals AB on October 10, 2019. CombiGene has now terminated the in-licensing and collaboration agreement with Lipigon and the rights to the project will revert to Lipigon no later than August 5, 2024.

In February 2021, CombiGene was awarded €481,000 by Eurostars for the development of the CGT2 project. The project grant also included funds for CombiGene's partner University Medical Center Hamburg-Eppendorf and the CRO company Accelero, which received EUR 265,000 and EUR 136,500 respectively. The grant from Eurostars has made it possible for CombiGene and its partners to carry out thorough preclinical work with scientific excellence.

CombiGene and the University Medical Center Hamburg-Eppendorf will now, within the framework of the Eurostars project, complete the scientific work, including trying to publish the scientific results, and submit the project's final report to Eurostars in the summer of 2024.

"The fact that we are now completing the preclinical development of the lipodystrophy project CGT2 is of course disappointing. At the same time, it is important to see that this project has contributed to deepening our knowledge in metabolic diseases, which is a very interesting area for gene therapy. The project has also meant that we have strengthened our network of leading academic actors. I would like to take this opportunity to extend a big thank you to all our partners in the CGT2 project."

Annika Ericsson
Director Preclinical Development

eurostars™ CombiGene´s project CGT2 is supported by the Eurostars Programme.Project ID: 114714

CombiGene is looking for a new partner for the epilepsy project CG01

On January 13, 2024, CombiGene regained the global rights to the epilepsy project CG01 from Spark Therapeutics as the notice period for the collaboration and license agreement between the two companies expired as announced on October 14, 2023. CombiGene's ambition is now to find a new partner who can take the project to clinical trials.

The collaboration agreement signed in October 2021 gave Spark the exclusive global license to develop, manufacture and commercialize CG01. Under the terms of the agreement, CombiGene was entitled to receive up to USD 328.5 million excluding royalties. During the collaboration, CombiGene has also been compensated for agreed development costs.

CombiGene is not liable to repay any of the payments received by the company from Spark Therapeutics, totaling USD 8.5 million excluding development costs, but is also not entitled to any future milestone payments or royalties.

CombiGene's lead project CG01 has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 823282

Administration report

Administration report

Financial reporting is in Swedish kronor

Operations

The company will develop gene therapy for treatment of neurological and metabolic disorders and pain and carry out other activities compatible therewith. The company's registered head office is in Stockholm, Sweden.

Group

The Group's legal structure consists of the Parent Company CombiGene AB (publ) Corp. ID. No. 556403-3818, whose operations include group-wide functions and ownership and management of 100% of holdings in the subsidiaries CombiGene Personal AB, Corp. ID. No. 559052-2735, CombiGene UK Ltd Corp. ID. No. 11215912, and Panion Animal Health AB, Corp. ID. No.559018-4171. CombiGene AB (publ) is listed on Nasdaq First North Growth Market.

The Share

CombiGene's share was listed on Spotlight in 2015. Since December 2018, CombiGene's share is listed on Nasdaq First North Growth Market, Stockholm. The share name is CombiGene, the share is traded under the ticker COMBI and the ISIN code is SE0016101935.

Multi-year overview, Group, TSEK

	2023	2022	2021	2020	2019
Net sales	5,544	26,699	84,042	0	0
Income after net financial items	-35,665	-6,157	20,965	-29,551	-17,929
Balance sheet total	120,612	158,221	166,221	79,414	43,818
Equity/assets ratio (%)	97	96	95	90	46
Earnings per share, SEK	-1.80	-0.31	1.21	-3.31	-6.23
Shareholders' equity per share, SEK	5.88	7.68	7.99	6.23	6.24

Multi-year overview, Parent Company, TSEK

	2023	2022	2021	2020	2019
Net sales	5,544	26,699	84,042	0	0
Income after net financial items	-35,613	-6,080	21,039	-29,712	-15,091
Balance sheet total	124,896	162,452	170,376	83,474	45,241
Equity/assets ratio (%)	97	96	95	91	47

For definitions of key terms, see the accompanying notes.

Key terms

	2023	2022
Earnings per share before dilution, SEK	-1.80	-0.31
Earnings per share after dilution, SEK	-1.80	-0.31
Shareholders' equity per share, SEK	5.88	7.68
Equity ratio, %	96.55	96.15
Average number of shares before dilution	19,801,197	19,801,197
Average number of shares after dilution	19,801,197	19,801,197
Total outstanding shares	19,801,197	19,801,197

Significant events during 2023

Events during the first quarter of 2023

- CombiGene enters into a collaboration agreement with the Danish company Zyneyro for the development of a unique concept for effective relief of chronic pain. The agreement with Zyneyro is a cooperation agreement which means that Zyneyro and CombiGene share the project's costs and revenues equally. In accordance with the agreement, CombiGene has paid Zyneyro an upfront of DKK 5 million, corresponding to SEK 7.5 million, in connection with the signing of the agreement. CombiGene has also undertaken to pay an additional maximum of DKK 11.4 million in continued development support towards a clinical study in phase 1.
- Doctoral thesis at the University of Copenhagen confirms the pain-relieving effect of COZY01 and COZY02.

Events during the second quarter of 2023

- Gene Therapy, one of Nature's journals, publishes an article about CombiGene's epilepsy project written by Esbjörn Melin, researcher at CombiGene.
- High activity level in the COZY pain program regarding preparations for the final preclinical toxicology program in the peptide project COZY01.
- CombiGene will play a significant role in the development of a national infrastructure for ATMPs. CombiGene's CEO Jan Nilsson elected Chairman of the Board of CCRM Nordic AB.
- CombiGene establishes a prominent scientific advisory board within the COZY pain programme.

Events during the third quarter of 2023

- Jan Nilsson leaves his position as CEO of CombiGene – COO Peter Ekolind takes over as new CEO on September 1, 2023.
- The epilepsy project is advancing through optimization activities of CGO1 for studies in humans.
- CombiGene has chosen a CDMO partner for the COZY01 pain project.

Events during the fourth quarter of 2023

- Spark Therapeutics terminates the collaboration agreement for the epilepsy project CG01 with CombiGene.
- CombiGene and Zyneyro choose the first indication in the COZY01 pain project.
- CombiGene chooses Charles River as its preclinical toxicology partner in the COZY01 pain project.
- Eurostars contributes SEK 8.7 million to the financing of the COZY01 pain project.

Events after the end of the year

- CombiGene regains the global rights to the epilepsy project CG01.
- CombiGene discontinues the preclinical development of the lipodystrophy project CGT2.
- The Danish company Orphazyme acquires 10 percent of the shares in CombiGene.
- CombiGene's epilepsy project CG01 is granted patents in two new countries.

Expected future development

For the COZY pain program, COZY01 has advanced the furthest, where the ambition is to complete the preclinical studies needed to be able to initiate the preclinical toxicology program, which is the last step before a clinical trial permit.

For the epilepsy project CG01, the focus in 2024 will be on finding a new partner who can continue the development work towards clinical studies.

In 2024, CombiGene will continue to conduct active business development with the aim of in-licensing additional projects in an early phase.

Risks and uncertainties

A drug development company of CombiGene's type is characterized by a high operational and financial risk. The Company is dependent on current and future licensing, collaboration, and other agreements with experienced partners for the development and successful commercialization of existing and future drug candidates. Other factors that may negatively affect the likelihood of commercial success include, among other things, the risk that CombiGene's gene therapies are not deemed safe or not effective, and the risk that the business may not receive the necessary funding.

Financial risk management

The financial risks can primarily be divided into the following categories: market risk (including currency and interest rate risk), credit risk and liquidity risk.

Currency risk

The currency exposures to which the company is exposed are mainly in relation to the euro and the USD. Currently, net exposure in each currency is limited, so the company does not have a policy to hedge the exposure.

The Group's total exchange rate difference amounts to TSEK 1,281 (12,519) and is recognized in operating profit.

Interest rate risk

The Group's interest rate risk is mainly linked to bank balances, which at the balance sheet date amounted to 101 million (132).

Price risk

The Group is not exposed to any price risk.

Credit risk

The Group is not exposed to any credit risk.

Liquidity risk

The company works continuously with its liquidity. The Board of Directors' assessment is that the initial payment from Spark and the current cash balance constitute sufficient capital to run the business in 2024.

Deviation from the Annual Report 2022

The comparative figures for the last year differ from the Annual report 2022. In the Group's and the Parent Company's reports on profit for the period, exchange rate differences in Other operating income and Other operating expenses have been reported net for both 2023 and 2022.

Allocation of profit/loss

Proposed appropriations of the parent company's profit

For adoption by the Annual General Meeting	
Share premium reserve	165,825,676
Loss brought forward	-11,289,528
Loss for the year	-35,612,568
	118,923,580

The Board proposes that be carried forward	118,923,580
	118,923,580

Financial Information

CombiGene's net sales in 2023 consist of reimbursements from Spark Therapeutics for the Company's internal and external costs related to the preclinical development of CG01 – a total of SEK 5.5 million. Other operating income consists primarily of contributions from the EU's Eurostars program, totaling SEK 1.5 million.

CombiGene's business model means that our revenues will primarily consist of upfront payments and milestone payments related to out-licensed projects. These payments are irregular in nature, which means that our revenues may vary significantly between individual years until we have an approved gene therapy on the market that creates continuous revenues in the form of royalties.

CombiGene's Board of Directors and management continuously evaluate the Company's capital requirements. Thanks to the out-licensing of the epilepsy project CG01 to Spark Therapeutics in the autumn of 2021, CombiGene has a good financial position that makes it possible to run our projects.

What the future financing of CombiGene will look like will be determined by the costs of the projects we run, how the revenue streams from out-licensed projects will develop and whether we will succeed in re-incorporating various types of research grants. CombiGene has so far received USD 8.5 million in upfront payments from Spark and SEK 47 million in various grants from the EU and Vinnova, including Eurostar's contribution of approximately SEK 8 million to the financing of the COZY01 pain project, which began to be paid out in 2024.

Louise Aspenberg
Chief Financial Officer

Income statement

		Group		Parent Company	
	Note	2023	2022	2023	2022
Operating revenues, etc.					
Net sales		5,544,117	26,699,282	5,544,117	26,699,282
Other operating revenues	3	1,463,894	14,548,250	1,463,894	14,552,140
Total operating revenues		**7,008,011**	**41,247,532**	**7,008,011**	**41,251,422**
Operating expenses					
Other external expenses	4	-26,834,804	-32,567,395	-26,782,250	-32,494,438
Other operating expenses		-1,281,038	0	-1,279,995	0
Personnel expenses	5	-14,867,989	-13,032,385	-14,867,989	-13,032,385
Depreciations		-2,624,168	-2,594,828	-329,340	-300,000
Total operating expenses		**-45,607,999**	**-48,194,608**	**-43,259,574**	**-45,826,822**
Operating profit/loss		**-38,599,988**	**-6,947,075**	**-36,251,563**	**-4,575,400**
Financial items	6				
Profit from shares in group		0	0	-2,294,828	-2,294,828
Other interest income and similar profit/loss items		2,939,386	791,827	2,938,624	791,785
Interest expenses and similar profit/loss items		-4,801	-1,682	-4,801	-1,682
Total financial items		**2,934,585**	**790,145**	**638,995**	**-1,504,725**
Profit/loss after financial items		**-35,665,403**	**-6,156,931**	**-35,612,568**	**-6,080,126**
Tax on profit for the year	7	0	0	0	0
Profit/loss for the year		**-35,665,403**	**-6,156,931**	**-35,612,568**	**-6,080,126**
Attributable to:					
Parent Company shareholders		-35,665,403	-6,156,931		

Balance sheet– assets

		Group		Parent Company	
FIXED ASSETS	**Note**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Intangible assets					
Patent	8	2,014,980	1,906,080	2,014,980	1,906,080
Goodwill	9	12,621,568	14,916,396	0	0
Licenses	10	1,881,250	2,181,250	1,881,250	2,181,250
		16,517,798	**19,003,726**	**3,896,230**	**4,087,330**
Tangible fixed assets					
Plant and machinery	11	850,660	0	850,660	0
		850,660	**0**	**850,660**	**0**
Financial assets					
Participations in group companies	12	0	0	16,903,253	18,585,214
Other long-term securities holdings		4,975	0	4,975	0
		4,975	**0**	**16,908,228**	**18,585,214**
Total fixed assets		**17,373,433**	**19,003,726**	**21,655,118**	**22,672,544**
CURRENT RECEIVABLES					
Accounts receivable		0	4,216,229	0	4,216,229
Receivables in group companies		0	0	249,676	798,552
Other receivables		725,441	1,394,719	682,416	1,352,456
Prepaid expenses and accrued income	13	1,073,800	1,828,705	1,073,800	1,828,705
		1,799,241	**7,439,653**	**2,005,892**	**8,195,942**
Cash and bank balances					
Cash and bank balances	14	101,439,755	131,777,455	101,235,341	131,583,435
		101,439,755	**131,777,455**	**101,235,341**	**131,583,435**
Total current assets		**103,238,996**	**139,217,108**	**103,241,233**	**139,779,377**
TOTAL ASSETS		**120,612,429**	**158,220,834**	**124,896,351**	**162,451,921**

Balance sheet – shareholders' equity and liabilities

		Group		Parent Company	
SHAREHOLDERS' EQUITY AND LIABILITIES	**Note**	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Shareholders' equity					
Share capital	15	990,060	990,060		
Other capital contribution		224,123,927	224,123,927		
Other shareholders' equity including profit/loss for the year		-108,657,288	-72,991,885		
Total shareholders' equity attributable to parent company shareholders		116,456,699	152,122,102		
Total shareholders' equity		**116,456,699**	**152,122,102**		
Restricted equity, Parent Company					
Share capital	15			990,060	990,060
Statutory reserve				3,500	3,500
Reserve for development expenses				868,480	759,580
				1,862,040	**1,753,140**
Non-restricted equity					
Profit or loss brought forward				-11,289,528	-5,100,502
Share premium reserve				165,825,676	165,825,676
Profit/loss for the year				-35,612,568	-6,080,126
				118,923,580	**154,645,048**
Total shareholders' equity				**120,785,620**	**156,398,188**
Current liabilities					
Accounts payable, trade		799,287	1,788,415	799,287	1,788,415
Tax liability		0	77,279	0	77,279
Other liabilities		447,390	512,781	432,391	497,781
Accrued expenses and prepaid income	16	2,909,053	3,720,257	2,879,053	3,690,257
Total current liabilities		**4,155,730**	**6,098,732**	**4,110,731**	**6,053,733**
TOTAL SHAREHOLDERS'S EQUITY AND LIABILITES		**120,612,429**	**158,220,834**	**124,896,351**	**162,451,921**

Cash flow statement

	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Operating activities					
Operating profit/loss		-38,599,988	-6,947,075	-36,251,563	-4,575,400
Adjustment for non-cash items, etc.		0	0	0	0
- Depreciation		2,624,168	2,594,828	329,340	300,000
- Exchange rate difference		-1,213,298	-11,699,345	-1,213,298	-11,699,345
Interest received		2,939,386	791,827	2,938,624	791,785
Interest paid		-4,801	-1,682	-4,801	-1,682
Total		**-34,254,533**	**-15,261,448**	**-34,201,698**	**-15,184,643**
Cash flow from operating activities before working capital changes		**-34,254,533**	**-15,261,448**	**-34,201,698**	**-15,184,643**
Cash flow from working capital changes					
Decrease (+)/increase (-) in receivables		5,640,412	438,947	5,577,183	367,407
Decrease (+)/increase (-) in current liabilities		-1,943,002	-1,843,182	-1,943,002	-1,843,822
Cash flow from operating activities		**-30,557,123**	**-16,665,683**	**-30,567,517**	**-16,661,058**
Investing activities					
Investment in intangible assets		-108,900	0	-108,900	0
Investment in subsidiaries		-880,000	0	-880,000	0
Cash flow from investing activities		**-988,900**	0	**-988,900**	0
CASH FLOW		**-31,546,023**	**-16,665,683**	**-31,556,417**	**-16,661,058**
Liquid assets					
Change in liquid assets		-31,546,023	-16,665,683	-31,556,417	-16,661,058
Liquid assets at the start of the reporting period		131,777,455	136,743,793	131,583,435	136,545,148
Exchange rate difference cash and cash equivalents		1,213,298	11,699,345	1,213,298	11,699,345
Liquid assets at the end of the reporting period		**101,444,730**	**131,777,455**	**101,240,316**	**131,583,435**

Change in shareholders' equity, Group

	Share capital	Other capital contribution	Accumulated profit/loss incl profit/loss for the year	Total shareholders' equity
Balance brought forward	990,060	224,123,927	-72,991,885	152,122,102
Profit/loss for the year	0	0	-35,665,403	-35,665,403
Amount at year-end	**990,060**	**224,123,927**	**-108,657,288**	**116,456,699**

Change in shareholders' equity, Parent Company

	Share capital	Statutory reserve	Reserve for development expenses	Share premium reserve	Accumulated profit/loss incl profit/loss for the year	Total shareholders' equity
Balance brought forward	990,060	3,500	759,580	165,825,676	-11,180,628	156,398,188
Development costs for the year	0	0	108,900	0	-108,900	0
Profit/loss for the year	0	0	0	0	-35,612,568	-35,612,568
Amount at year-end	**990,060**	**3,500**	**868,480**	**165,825,676**	**-46,902,096**	**120,785,620**

Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's General Recommendations BFNAR 2012:1 (K3) Annual Accounts and Consolidated Accounts. Accounting principles are unchanged compared with those applied in the previous year's annual report.

Reporting currency

Financial reporting is in Swedish kronor unless otherwise stated.

Valuation principles

Receivables

Receivables are stated at the amount expected to be paid.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are restated at balance date rate. Differences between acquisition value and value on balance-sheet date are recognized in profit or loss. Receivables and liabilities in foreign currencies that are hedged are restated at the forward rate.

Other assets, provisions and liabilities

Other assets, provisions and liabilities are measured at acquisition value unless otherwise stated below.

Proprietary intangible assets

Development expenses are recognized as intangible assets according to the activation model when the following criteria are met:

- It is technically and financially possible to complete the asset,
- there is an intention to sell, and conditions for selling, the asset,
- it is probable that the asset will generate revenue or lead to cost savings,
- the expenses can be calculated reliably.

The acquisition value of an internally generated intangible asset consists of the costs that are directly attributable to resources necessary for creating, developing and completing the asset, such that it can be used in the manner intended by the company's management. Internally generated "assets are depreciated from the time they are first used."

Financial instruments

Financial assets and liabilities are recognized according to the acquisition value method. Financial assets in the form of securities are recognized at acquisition value, which includes transaction expenses that are directly attributable to the acquisition. Securities held as fixed assets and ownership interest in other companies for which the fair value is less than the book value are written down to fair value if the impairment can be assumed to be a long-term impairment. Current investments are recognized at either their book value or sale value, whichever is lower.

Long-term receivables and long-term liabilities are recognized at amortized cost, which corresponds to the present value of future payments less the effective rate as calculated at the time of acquisition.

Current receivables and derivative instruments, which are not part of a hedging programme which is reported according to hedge accounting principles, are recognized at either their acquisition value or sale value, whichever is lower.

Current liabilities, which can be expected to be settled within 12 months, are recognized at nominal value.

Depreciation

Concessions, patents, licences, goodwill, trademarks and similar rights: 10 years. Patents have not been depreciated, since the assets have not been taken into use.

CombiGene acquired a licence in 2019 for development of a treatment for lipodystrophy. The licence is reported at acquisition cost with deductions for depreciation according to plan over the estimated useful life of the asset. The company's management has determined the estimated useful life to be 10 years, since the licence agreement with Lipigon is exclusive for CombiGene for the first 10 years. Thereafter, the agreement will continue as a non-exclusive licensing agreement.

Goodwill is depreciated over 10 years, based on the assumption that the acquisition to which the asset is attributable is of long-term strategic importance.

Machinery and other technical installations have a depreciation period of 5 years.

Goodwill

Goodwill represents the excess of the cost of an acquisition, any holdings with non-controlling interest and the fair value of previous holdings on the date of acquisition, over the fair value of identifiable acquired net assets. Goodwill on acquisition of subsidiaries is recognized as intangible assets. Goodwill on acquisition of associated companies is included in the value of holdings in associated companies and the write-down requirement is reviewed as a part of the value of the total holding. Goodwill is reviewed annually to identify any impairment and recognized at acquisition value less accumulated impairment losses.

Write-downs

For activated development expenses not yet taken into use and assets for which there is an indication that the value of the asset has decreased, the write-down requirement is reviewed. If the asset has a recoverable value that is lower than the book value, it is written down to the recoverable value. The recoverable value is defined as the higher of the market value or the value in use. The value in use is defined as the present value of anticipated future payments generated by the asset. Write-downs are reported in the income statement.

Income tax
Current tax is the tax expense for the current financial year, referring to the taxable profit for the year and any portion of income tax from previous financial years which has not yet been reported. Current tax is recognized based on the effective tax rate and tax provisions applicable on the balance-sheet date.

Deferred tax is income tax on taxable profit referring to future financial years, arising as a result of transactions or events which have already taken place. Deferred tax is calculated on temporary differences. A temporary difference exists where there is a difference between the reported values of assets and liabilities and these items' values for tax purposes. No provisions are made for deferred tax on temporary differences attributable to participations in subsidiaries or joint ventures, as the company is able to determine that date on which the temporary differences are reversed, and such a reversal is not expected to take place in the foreseeable future. Differences which originate from the initial recognition of goodwill or the initial recognition of an asset or liability do not constitute temporary differences unless the related transaction is a business acquisition or affects tax or the reported results. Deferred tax assets on loss carry-forwards and other future tax credits are reported in so far as it is probable that these can be utilized against future taxable profits.

The parent company and Group's combined business losses amount to MSEK 155,9, all attributable to operations in Sweden. The nominal value of tax assets amounts to MSEK 32,1 at a tax rate of 20.6%. The parent company's combined business losses amount to MSEK 120,9, all attributable to operations in Sweden. The nominal value of tax assets amounts to MSEK 24,9 at a tax rate of 20.6%. No part of this receivable has been classified as an asset in the balance sheet, since the company and group still and within budgets carry future development costs that exceed budgeted revenues. Tax assets will be recorded as assets in the balance sheet when the company/Group reports stable profits. Deferred tax liabilities attributable to untaxed reserves are not recognized separately; untaxed reserves are recognized at gross amounts in the balance sheet.

Related-party transactions
Regarding the Company's Board members, there are no transactions other than those reported in Note 5.

Employee compensation – pension contributions
The group's post-employment benefits consist of defined-contribution pension plans. In the defined contribution plans, the company pays fixed contributions to a separate legal entity. When these have been paid, the company has no additional obligations.

Consolidated accounts
Subsidiaries
Subsidiaries are companies in which the parent company directly or indirectly has more than 50% of the voting rights or otherwise exercises a controlling interest. A controlling interest means the right to govern a company's financial and operating strategies with a view to deriving economic benefits. Business combinations are accounted for using the economic unit approach. This means that the acquisition analysis is prepared on the date the acquirer obtains a controlling interest. From this date, the acquirer and the acquired entity are treated as a reporting unit.

The application of the economic unit approach also means that all assets (including goodwill) and liabilities, as well as revenue and expenses, are included in their entirety, even for part-owned subsidiaries.

The acquisition value for subsidiaries is calculated as the sum of fair value of assets on the date of acquisition with additions for expenses which are directly attributable to the acquisition and any additional purchase price. The acquisition analysis establishes the fair value, with some exceptions, on the acquisition date of acquired identifiable assets and assumed liabilities, as well as minority interests.

Minority interests are measured at fair value on the acquisition date. From the acquisition date, the acquired company's revenue and expenses, identifiable assets and liabilities and any goodwill or negative goodwill arising are included in the consolidated accounts.

Elimination of transactions between Group companies and associates
lntra-Group receivables and liabilities, income and expenses and unrealized gains or losses arising on transactions between Group companies, are eliminated in their entirety. Unrealized gains arising on transactions with associates are eliminated in proportion to the Group's interests in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of any impairment.

Cash flow statement
The cash flow statement is prepared according to the indirect method. Liquid assets are cash and bank balances.

Note 2 Significant estimates and assessments

The company management makes estimates and assumptions about the future. The actual outcome of estimates made for accounting purposes, by definition, seldom correspond to these estimates and assessments. The estimates and assumptions which entail risk of significant revision of reported values of assets and liabilities mainly refer to the value of the company's fixed assets.

Assessments are made each year to determine if there is any indication that the value of assets is lower than the reported value. If there is an indication that the value of an asset is lower than the reported value, the recoverable value is calculated as the lower of either the asset's present value less selling expenses or the value in use.

Note 3 Other operating revenues

	Group		Parent Company	
	2023	2022	2023	2022
Contribution Vinnova	1,463,894	2,033,242	1,463,894	2,033,242
Exchange-rate gains attributable to operations	0	12,515,008	0	12,518,898
Total	**1,463,894**	**14,548,250**	**1,463,894**	**14,552,140**

The EU's Eurostars program, which is aimed at small and medium-sized enterprises wishing to collaborate on research and development projects, has allocated development grants to the CGT2 project. The total grant for CombiGene amounts to SEK 5 million, of which SEK 4.8 million has so far been paid out. Contribution revenue is recognized in line with the reprocessing. Payments from the Eurostars program are administered by Vinnova.

Deviation from the Annual Report 2022

The comparative figures for the last year differ from the Annual report 2022. In the Group's and the Parent Company's reports on profit for the period, exchange rate differences in Other operating income and Other operating expenses have been reported net for both 2023 and 2022.

Note 4 Fees and remuneration to auditors

	Group		Parent Company	
	2023	2022	2023	2022
Mazars AB				
Audit engagement	200,000	205,000	170,000	175,000
Other services	0	0	0	0
	200,000	**205,000**	**170,000**	**175,000**

Audit engagement refers to the auditors' work concerning the statutory audit.

Note 5 Personnel

	Group		Parent Company	
	2023	2022	2023	2022
Average number of employees				
Men	4	5	4	5
Women	4	5	4	5
	8	**10**	**8**	**10**

	2023		2022	
	Women	Men	Women	Men
Board of Directors	2	3	1	4
CEO and other senior executives	2	1	2	1
	4	**4**	**3**	**5**

Salaries, remuneration, etc.	Group		Parent Company	
	2023	2022	2023	2022
Board of Directors and CEO	4,355,507	3,401,362	4,355,507	3,401,362
Social security contributions	897,162	485,146	897,162	485,146
(of which pension expenses)	(171 458)	(0)	(171 458)	(0)
	5,252,669	**3,886,508**	**5,252,669**	**3,886,508**
Other employees	7,313,669	6,461,813	7,313,669	6,461,813
Social security contributions	3,376,576	2,920,987	3,376,576	2,920,987
(of which pension expenses)	(1 091 611)	(892 125)	(1 091 611)	(892 125)
	10,690,245	**9,382,800**	**10,690,245**	**9,382,800**
Board and other employees	**15,942,914**	**13,269,308**	**15,942,914**	**13,269,308**

Note 5 Personnel (cont.)

Specification of salaries and remuneration to senior executives during 2023

		Salaries and other remuneration	Benefits	Pension	Total
Jonas Ekblom	Chairman of the Board	150,026	0	0	150,026
Peter Nilsson	Board member	163,895	0	0	163,895
Per Lundin	Board member	62,500	0	0	62,500
Gunilla Lundmark	Board member	125,000	0	0	125,000
Peter Ekolind	CEO	720,000	2,034	171,458	893,492
Jan Nilsson	Former CEO	3,132,052	0	0	3,132,052
Other employees		1,752,733	8,136	370,235	2,131,104
		6,106,206	**10,170**	**541,693**	**6,658,069**

Of the above remuneration to the board and CEO, SEK 63,921 refers to remuneration that has been invoiced and reported as Other external expenses.

The COO, up to 31 August 2023, invoices his remuneration and the remuneration in 2023 has amounted to SEK 1,410,345. The remuneration is reported as Other external expenses.

Specification of salaries and remuneration to senior executives during 2022

		Salaries and other remuneration	Benefits	Pension	Total
Bert Junno	Chairman of the Board	202,275	0	0	202,275
Peter Nilsson	Board member	178,635	0	0	178,635
Jonas Ekblom	Board member	179,937	0	0	179,937
Per Lundin	Board member	125,000	0	0	125,000
Gunilla Lundmark	Board member	125,000	0	0	125,000
Jan Nilsson	CEO	2,590,515	0	0	2,590,515
Other employees		1,748,109	0	330,076	2,078,185
		5,149,471	**0**	**330,076**	**5,479,547**

Of the above remuneration to the board and CEO, SEK 108,572 refers to remuneration that has been invoiced and reported as Other external expenses.

The COO invoices his remuneration and the remuneration in 2022 has amounted to SEK 492,800. The remuneration is reported as Other external expenses.

Note 6 Financial income and expenses

Profit from shares in group	Group		Parent Company	
	2023	2022	2023	2022
Impairment of shares in group companies	0	0	2,294,828	2,294,828
	0	**0**	**2,294,828**	**2,294,828**

Interest income and similar profit/loss items	Group		Parent Company	
	2023	2022	2023	2022
Interest income	2,939,386	791,827	2,938,624	791,785
	2,939,386	**791,827**	**2,938,624**	**791,785**

Interest expenses and similar profit/loss items	Group		Parent Company	
	2023	2022	2023	2022
Interest expenses	4,801	1,682	4,801	1,682
	4,801	**1,682**	**4,801**	**1,682**

Note 7 Income taxes

Group	2023	2022
Reconciliation of reported tax		
Profit before tax	-35,665,403	-6,156,931
Tax expense 20,6%	7,347,073	1,268,328
Tax effect of:		
Non-deductible expenses	-28,940	-19,370
Non-taxable income	419	9
Deductions for expenses not included in reported profit/loss	0	0
Effect of unused tax losses	-7,318,552	-1,248,967
	0	**0**
Effect of unused tax losses at year-end	155,907,311	120,380,360

Note 7 Income taxes (cont.)

Parent Company	2023	2022
Reconciliation of reported tax		
Profit before tax	-35,612,568	-6,080,126
Tax expense 20,6%	7,336,189	1,252,506
Tax effect of:		
Non-deductible expenses	-28,940	-19,242
Impairment of shares in group companies	-472,735	-472,735
Non-taxable income	262	1
Deductions for expenses not included in reported profit/loss	0	0
Effect of unused tax losses	-6,834,776	-760,531
	0	**0**
Effect of unused tax losses at year-end	120,852,606	87,674,082

Note 8 Intangible assets - Patents

	Group		Parent Company	
	2023	2022	2023	2022
Accumulated acquisition value at the start of the period	1,906,080	1,906,080	1,906,080	1,906,080
Acquisitions	108,900	0	108,900	0
Accumulated acquisition value at year-end	2,014,980	1,906,080	2,014,980	1,906,080
Incoming and outgoing accumulated depreciation	0	0	0	0
Reported value at year-end	**2,014,980**	**1,906,080**	**2,014,980**	**1,906,080**

Note 9 Intangible assets - Goodwill

	Group	
	2023	2022
Incoming and outgoing accumulated acquisition value	22,948,294	22,948,294
Accumulated write-downs at the start of the period	-8,031,898	-5,737,070
Write-downs at year-end	-2,294,828	-2,294,828
Accumulated write-downs at year-end	-10,326,726	-8,031,898
Reported value at year-end	**12,621,568**	**14,916,396**

Note 10 Intangible assets - Licenses

	Group		Parent Company	
	2023	2022	2023	2022
Incoming and outgoing accumulated acquisition value	3,000,000	3,000,000	3,000,000	3,000,000
Accumulated depreciation	-818,750	-518,750	-818,750	-518,750
Depreciation at year-end	-300,000	-300,000	-300,000	-300,000
Accumulated depreciation at year-end	-1,118,750	-818,750	-1,118,750	-818,750
Reported value at year-end	**1,881,250**	**2,181,250**	**1,881,250**	**2,181,250**

Note 11 Tangible fixed assets - Plant and machinery

	Group		Parent Company	
	2023	2022	2023	2022
Incoming accumulated acquisition value	0	0	0	0
Acquisitions	880,000	0	880,000	0
Accumulated acquisition value at year-end	880,000	0	880,000	0
Accumulated depreciation	0	0	0	0
Depreciation at year-end	-29,340	0	-29,340	0
Accumulated depreciation at year-end	-29,340	0	-29,340	0
Reported value at year-end	**850,660**	**0**	**850,660**	**0**

Note 12 Participations in group companies

Parent Company			2023	2022
Company / Corporate ID number	Seat	Total/Cap	Reported value	Reported value
CombiGene Personal AB, 559052-2735	Stockholm	100	166,262	166,262
CombiGene UK Ltd, 11215912	England, Wales	100	1122	1122
Panion Animal Health AB, 559018-4171	Stockholm	100	16,735,869	18,417,830
			16,903,253	18,585,214

Note 12 Participations in group companies (cont.)

	2023	2022
Incoming accumulated acquisition value	26,720,181	26,720,181
Acquisitions for the year	612,867	0
Accumulated acquisition value at year-end	27,333,048	26,720,181
Accumulated write-downs	-8,134,967	-5,840,139
Change for the year	-2,294,828	-2,294,828
Accumulated write-downs at year-end	-10,429,795	-8,134,967
Reported value at year-end	**16,903,253**	**18,585,214**

Information concerning shareholders' equity including profit/loss for the year	Shareholders' equity	Profit/loss for the year
CombiGene Personal AB	110,669	-2,050
CombiGene UK Ltd	-170,670	-32,391
Panion Animal Health AB	1,212,765	-318,394

Note 13 Prepaid expenses

	Group		Parent Company	
	2023	2022	2023	2022
Leasing	58,924	35,856	58,924	35,856
Insurance	113,638	100,388	113,638	100,388
Other expenses	421,238	492,461	421,238	492,461
Accrued income	480,000	1,200,000	480,000	1,200,000
Total	**1,073,800**	**1,828,705**	**1,073,800**	**1,828,705**

Note 14 Assets pledged

	Group		Parent Company	
	2023	2022	2023	2022
Blocked bank funds	150,000	150,000	150,000	150,000
	150,000	**150,000**	**150,000**	**150,000**

Note 15 - Share capital development

Year	Event	Total share capital (SEK)	Change (SEK)	Total shares	Change shares	Quotient (SEK)
1990	Company registration	50,000	50,000	500	500	100.00
1997	Bonus issue	100,000	50,000	1,000	500	100.00
2010	New share issue	102,600	2,600	1,026	26	100.00
2013	New share issue	143,600	41,000	1,436	410	100.00
2014	Bonus issue	574,400	430,800	5,744	4,308	100.00
2014	New share issue	604,400	30,000	6,044	300	100.00
2014	Split 1 000:1	604,400	0	6,044,000	6,037,956	0.10
2014	New share issue	884,400	280,000	8,844,000	2,800,000	0.10
2015	New share issue	1,134,400	250,000	11,344,000	2,500,000	0.10
2015	New share issue	1,138,197	3,797	11,381,970	37,970	0.10
2016	New share issue	1,180,159	41,962	11,801,590	419,620	0.10
2017	New share issue	1,652,223	472,064	16,522,230	4,720,637	0.10
2018	New share issue	1,719,783	67,560	17,197,836	675,596	0.10
2018	New share issue	5,159,348	3,439,565	51,593,476	34,395,650	0.10
2019	New share issue	6,372,384	1,213,036	63,723,836	12,130,360	0.10
2019	New share issue	6,373,090	706	63,730,896	7,060	0.10
2019	New share issue	6,505,365	132,275	65,053,647	1,322,751	0.10
2020	New share issue	11,762,201	5,256,836	117,622,007	52,568,360	0.10
2020	New share issue	12,562,201	800,000	125,622,007	8,000,000	0.10
2020	New share issue	14,721,013	2,158,813	147,210,132	21,588,125	0.10
2020	New share issue	17,666,081	2,945,068	176,660,811	29,450,679	0.10
2020	New share issue	17,822,218	156,137	178,222,176	1,561,365	0.10
2020	New share issue	20,768,890	2,946,672	207,688,899	29,466,723	0.10
2020	New share issue	22,927,702	2,158,813	229,277,024	21,588,125	0.10
2021	New share issue	39,602,395	16,674,693	396,023,950	166,746,926	0.10
2021	Reverse share split (1:20)	39,602,395	0	19,801,197	-376,222,753	2.00
2021	Reduction of share capital	990,060	-38,612,335	19,801,197	0	0.05
At the end of the period		**990,060**		**19,801,197**		**0.05**

One share in CombiGene AB has a quotient value of SEK 0.05 (0.05). The total number of shares is 19 801 197 (19 801 197) and the share capital amounts to SEK 990 060 (990 060). All shares have equal voting rights.

Note 16 Accrued expenses and prepaid income

	Group		Parent Company	
	2023	2022	2023	2022
Personnel expenses	1,929,014	2,922,477	1,929,014	2,922,477
Other accrued expenses	980,039	797,780	950,039	767,780
Total	**2,909,053**	**3,720,257**	**2,879,053**	**3,690,257**

Note 17 Significant events after the end of the reporting period

CombiGene regains the global rights to the epilepsy project CG01.
CombiGene discontinues the preclinical development of the lipodystrophy project CGT2.
The Danish company Orphazyme has acquired 10% of the shares in CombiGene
CombiGene's epilepsy project CG01 has been granted patent in two new countries

Note 18 Definition of key terms

Equity/assets ratio
Adjusted equity as a percentage of total assets.

Declaration by the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer certify that this Annual Report provides a true and fair view of the company's business, financial position, performance and describes material risks and uncertainties, to which the company is exposed.

Stockholm April 26, 2024

Jonas Ekblom
Chairman

Malin Almgren
Board member

Gunilla Lundmark
Board member

Peter Nilsson
Board member

Per Lundin
Board member

Peter Ekolind
CEO

Audit Report

TO THE ANNUAL GENERAL MEETING OF COMBIGENE AB, corp. ID no 556403-3818

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts for CombiGene AB (publ) for the 2023 financial year. The annual accounts of the company are included on pages 18-36 of this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the company and the group as of 31 December 2023 and of their financial performance and cash flows for the year in accordance with the Annual Accounts Act. The Administration Report is consistent with other parts of the annual accounts and consolidated accounts.

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

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.

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

Other information than the annual accounts and consolidated accounts

The Board and CEO are responsible for other information in addition to that given in the annual accounts and consolidated accounts. The other information is stated on pages 1-17 and 40-46.

Our opinion concerning the annual accounts and consolidated accounts does not cover this 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 consider 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 CEO

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA 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 based on these annual accounts and consolidated accounts.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the CEO of CombiGene AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

We conducted our 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 CEO

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 company's equity, consolidation requirements, liquidity, and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's 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 CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil 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 CEO in any material respect:

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

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

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

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

the Board of Directors' proposed appropriations of the company's profit or loss we assessed whether the proposal is in accordance with the Companies Act.

Landskrona, 26 April 2024

Mazars AB

Anders O Persson
Authorized Auditor

Other information

The CombiGene share

CombiGene is a public company and is listed on Nasdaq First North Growth market. The share capital of the Company shall amount to no less than SEK 990,000 and no more than SEK 3,960,000 divided into no less than 19,800,000 shares and no more than 79,200 000 shares. CombiGene has one class of share. Each share carries equal rights to CombiGene's assets and profits and is entitled to one vote at the Annual General Meeting (AGM). The CombiGene share register is maintained electronically by Euroclear. The share trades under the name CombiGene, the ticker is COMBI, and the ISIN-Code is SE0016101935.

The share

The number of shares at the end of the period was 19,801,197 with a quota value of SEK 0.05. The average number of shares for the period was 19,801,197. All shares are of the same type and have the same voting rights.

Authorization to issue new shares, warrants or convertibles

The Annual General Meeting of 25 May 2023 adopted the Board's resolution to authorize the Board of Directors to, at one or several occasions and for the period up until the next AGM, resolve to increase the Company's share capital by issuing new shares, warrants and/or convertibles. Such issue resolution may be carried out with or without deviation from the shareholders' pre-emption rights and with or without provisions for contribution in kind, set-off or other conditions.

The total number of shares that may be issued, or in the event of an issue of warrants or convertibles, any additional shares after conversion or exercise of any warrant, by virtue of the authorization, for issue resolutions made without deviation from the shareholders' pre-emption rights, shall not be limited in any other way than by the limits for the share capital and number of shares, as set forth from time to time in the registered Articles of Association.

For issue resolutions made by virtue of the authorization, with deviation from the shareholders' pre-emption rights, the total number of shares that may be issued, or in the event of an issue of warrants or convertibles, any additional shares after conversion or exercise of any warrant, shall be limited to 50 percent of the outstanding shares in the Company at any given time. Should the Board of Directors resolve on a share issue with deviation from the shareholders' pre-emption rights, the reason for this shall be to broaden the ownership structure, procure working capital, increase the liquidity of the share, or acquire businesses, or enable the acquiring of capital for acquisitions.

LTI 2022

The AGM 2022 resolved, in accordance with the board of directors' proposal, on the implementation of a performance-based incentive program, named LTI 2022, directed issue of 900,000 warrants, transfer of the warrants to participants in LTI 2022 and transfer of warrants to cover costs for LTI 2022 and authorization to enter into swap agreement. A more detailed description of LTI 2022 can be found in the notice convening the Annual General Meeting 2022.

Ten largest shareholders as of December 31, 2023	Total holdings	Holding %
Nordqvist, Jan Ivar	1 864 003	9,41%
Pareto Securities AS	1 100 000	5,56%
Avanza Pension	949 781	4,80%
Orphazyme AS	522 907	2,64%
Nordnet Pensionsförsäkring AB	508 733	2,57%
Thoren Tillväxt AB	494 894	2,50%
Försäkringsaktiebolaget Skandia	273 177	1,38%
Thomassen Skaar, Christian	262 178	1,32%
Olsson, Per Magnus	256 491	1,30%
Ferstad, Arne	214 072	1,08%

Board of Directors and auditors

JONAS EKBLOM (BORN 1966)
CHAIRMAN OF THE BOARD, SINCE 2023
BOARD MEMBER SINCE 2020

Education and experience: Jonas Ekblom is an Associate Professor in Pharmacology at Uppsala University, has a B.Sci. in Chemistry from Stockholm University, a Ph.D. in Experimental Neurology from Uppsala University, and post-doctoral studies from University of Southern California, School of Pharmacy in Los Angeles. He has worked over 25 years in the life science sector. Jonas has previously held senior and executive roles in biotech companies in Sweden, US and Switzerland including Pharmacia, Biovitrum, Promore Pharma, Sequenom, Invitrogen and BOWS Pharmaceuticals SA. He has also received professional training in strategic planning and business management. Jonas has published more than 60 articles in peer-reviewed journals.
Current assignments: Board director in Emplipharm AB. Chairman of the board in Oblique Therapeutics AB.
Own and/or related parties' holdings in the company: Holds no shares or warrants.

Independent of the company and the management, independent of the major owners of the company.

MALIN ALMGREN (BORN 1976)
BOARD MEMBER SINCE 2023

Education and experience: Malin holds a master's degree in biochemistry from Stockholm University and a PhD in medicine from Karolinska Institutet. She has over 20 years of experience in academic research and has worked at reputable research institutions such as Karolinska Institutet and UCSD. Malin has a deep understanding of areas such as genetics, immunology, neuroscience, and oncology, including clinical trials and industrial collaborations. In addition to her scientific expertise, Malin has also developed a second career in finance. She has worked as head of strategic partnerships at the Swedish fund company Tundra Fonder, with a focus on sustainable investments. In addition, she has worked as a financial advisor for M&A transactions in the health sector at Experia Corporate Finance Advisors. Currently, Malin is CEO of Schain Research AB, a research consultancy company focusing on RWE.
Current assignments: CEO of Schain Research AB. Board member of Experia Nordic Oy and RedSense Medical AB.
Own and/or related parties' holdings in the company: Holds no shares or warrants.

Independent of the company and the management, independent of the major owners of the company.

PER LUNDIN (BORN 1983)
BOARD MEMBER SINCE 2020

Education and experience: Per Lundin earned his Ph.D. at the Karolinska Institute, holds an MSc in Biotechnology Engineering, and an MScBA from Stockholm University School of Business. He has over 10 years of experience in advising, founding and leading biotech companies, leveraging his deep expertise across corporate strategy, scientific leadership, legal & intellectual property and business development. Per is co-founder and Chief Business Officer of UK-based Evox Therapeutics. Prior to founding Evox, Per co-founded and served as CEO of IsletOne Therapeutics, a cell therapy company spun out of the Karolinska Institute. Previously, Per managed a European business development channel for Thomson Reuters IP & Science and before that qualified as a European Patent Attorney, starting out in the biotech practice of one of the largest European IP law firms. He started his career as a research scientist with the Australian biotech company Apollo Life Sciences, working on nanoparticle drug delivery.
Current assignments: Board member of JDRF UK.
Own and/or related parties' holdings in the company: 5 976 shares

Independent of the company and the management, independent of the major owners of the company.

GUNILLA LUNDMARK (BORN 1963)
BOARD MEMBER SINCE 2021

Education and experience: Gunilla has broad experience in life science, from both operational operations as well as strategic positions and various board assignments. Gunilla is currently CEO of Uppsala University Invest AB and has previously been CEO of Pharmanest AB, a company where she has been part of developing a new product in women's health, which has resulted in a successful out-licensing agreement. Gunilla has also held senior positions within Q-Med AB (publ) in Sweden and Australia, as well as within Pharmacia. Gunilla holds a B.Sc in Medical Science from Uppsala University and an Excecutive MBA degree in International Business Management from Uppsala University.
Current assignments: Holds board positions within Chordate Medical Holding AB (publ.), IPF AB, SampleFacts AB, Lipidor AB (publ.), Uppsala Innovation Centre AB, Uppsala University Project AB and Uppsala University Research Intellectual Property AB.
Own and/or related parties' holdings in the company: Holds no shares or warrants.

Independent of the company and the management, independent of the major owners of the company.

PETER NILSSON (BORN 1970)
BOARD MEMBER SINCE 2014

Education and experience: Peter has a long background in finance and is currently working as an advisor in strategy and business development. Previously, Peter was a partner and business area manager at Mazars SET Revisionsbyrå AB. As an auditor, Peter has worked with both owner-managed and public companies, and has conducted exchange audits prior to listing on the NGM stock exchange. He was also director of Corporate Finance at Mazars, focusing on acquisitions and due diligence. Peter received his M.Sc. in Business Administration and Economics from Lund University and was a certified public auditor.
Current assignments: Board member and owner of PN Finanskonsult AB.
Own and/or related parties' holdings in the company: 77 227 shares.

Independent of the company and the management, independent of the major owners of the company.

AUDITOR: MAZARS AB

Auditor-in-charge: Anders O Persson, Authorized Public Accountant and member of FAR, the trade association for auditors in Sweden. Born 1976.

Senior executives

PETER EKOLIND (BORN 1964)
CEO SINCE 2023

Education and experience: Peter Ekolind is a registered nurse, a certified market economist and holds an Executive MBA from the School of Economics at Lund University. He has many years of broad experience in marketing, sales and leadership from several global pharmaceutical, biotechnology and medical technology companies in various senior roles. Among other things, he has been managing director of Getinge Sweden and Avidicare. In recent years, the focus has been on work in smaller start-ups.
Current assignments: Board member and owner of Pekoli AB
Own and/or related parties' holdings in the company: 43 811 shares

KARIN AGERMAN (BORN 1973)
CHIEF SCIENTIFIC OFFICER SINCE 2018

Education and experience: Karin Agerman has a PhD in molecular neurobiology from Karolinska Institutet and more than fifteen years of experience in the international pharmaceutical industry and the start-up arena in Sweden. She has worked for companies such as AstraZeneca, Merck and Uppsala BIO, and has been active in a number of senior positions. Areas in which she has been active include preclinical development, marketing and financing. Her contact network is broad in both industry and academia, as well as in the sphere of Swedish government agencies.
No current board assignments
Own and/or related parties' holdings in the company: Holds no shares or warrants.

LOUISE ASPENBERG (BORN 1976)
CFO SINCE 2020.

Education and experience: Louise has a bachelor's degree in Economics from Örebro University. Louise is an experienced economist with a broad experience from financial and economic work tasks and have a solid knowledge of in consolidated financial statements and financial reporting for public companies.
No current board assignments
Own and/or related parties' holdings in the company: Holds no shares or warrants.

OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES
There are no conflicts of interest between CombiGene and any board member or senior executive. There are no family ties between board members and/or senior executives of CombiGene. Board members and senior executives may be contacted via the address given at the end of this document.

Ownership and corporate governance

Legislation
CombiGene adheres to the Swedish Companies Act and follows the regulations stipulated in the company's Articles of Association.

Swedish Corporate Governance Code
Shares in CombiGene are listed on Nasdaq First North; therefore, compliance with the Swedish Corporate Governance Code ("the Code") is not obligatory for CombiGene. However, the board will carefully follow the practices that have evolved with respect to the Code and intends to apply those aspects of the Code which are relevant for CombiGene and its shareholders.

Annual General Meeting
Shareholders exercise their right to vote on matters concerning CombiGene at the Annual General Meeting. Shareholders who are registered in the share register as per the record day and have duly registered for attendance at the annual general meeting are entitled to exercise all their voting rights. Shareholders who are represented by proxy must issue a written, dated proxy for the representative.

The Annual General Meeting must be held within 6 months of the close of the financial year.

Items on the agenda of the Annual General Meeting include: adoption of the income statement and balance sheet; proposed appropriations of the company's profit or loss; resolutions regarding discharge of the members of the board and the CEO from liability; election of board members, chairman and auditors; resolutions regarding remuneration to the board and auditors, and other matters brought before the meeting in accordance with the Swedish Companies Act or the Articles of Association.

Extraordinary general meetings are held when the board, and in some cases, shareholders, believe that reason exists to hold an extraordinary general meeting under the terms of the Swedish Companies Act.

Annual General Meeting 2023
The Annual General Meeting of 25 May 2023 adopted the Board's resolution to authorize the Board of Directors to, at one or several occasions and for the period up until the next AGM, resolve to increase the Company's share capital by issuing new shares, warrants and/or convertibles. Such issue resolution may be carried out with or without deviation from the shareholders' pre-emption rights and with or without provisions for contribution in kind, set-off or other conditions.

The total number of shares that may be issued, or in the event of an issue of warrants or convertibles, any additional shares after conversion or exercise of any warrant, by virtue of the authorization, for issue resolutions made without deviation from the shareholders' pre-emption rights, shall not be limited in any other way than by the limits for the share capital and number of shares, as set forth from time to time in the registered Articles of Association.

For issue resolutions made by virtue of the authorization, with deviation from the shareholders' pre-emption rights, the total number of shares that may be issued, or in the event of an issue of warrants or convertibles, any additional shares after conversion or exercise of any warrant, shall be limited to 50 percent of the outstanding shares in the Company at any given time. Should the Board of Directors resolve on a share issue with deviation from the shareholders' pre-emption rights, the reason for this shall be to broaden the ownership structure, procure working capital, increase the liquidity of the share, or acquire businesses, or enable the acquiring of capital for acquisitions.

Other information
None of the company's board members or the CEO have entered into any agreement entailing limitation of the right of senior executives to transfer securities to in CombiGene. None of the company's board members or the CEO have entered into any agreement with major shareholders, customers, suppliers, or other parties entailing agreement on the election of senior executives to the board of CombiGene or of the appointment of the CEO.

There are no agreements as to post-employment benefits. There are no circumstances which would entail potential conflict of interest in relation to the engagement of senior executives in CombiGene.

Glossary

AAV Adeno-associated virus.

CDMO Contract development and manufacturing organization is a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing.

Chronic pain Pain that has lasted longer than three months.

Clinical development Comprises three phases, see clinical phase I, II, III below.

Clinical phase I Phase I refers to the first instance of testing of a candidate drug on humans. Phase I trials are often conducted with a small group of healthy volunteer trial subjects to determine the safety and dosage of an as yet non-approved treatment method.

Clinical phase II Phase II trials refer to a pharmaceutical product under development that is administered to a small group of patients to study the safety, dosage and efficacy.

Clinical phase III Phase III studies include a sufficient number of patients to meet regulatory prerequisites for approval. The aim is to determine the statistical significance with respect to the effect of a new candidate drug, without major side effects and under carefully controlled real-world conditions. The new drug is sometimes compared with an established treatment, such as an approved drug.

Clinical study Research studies that explore whether a new, as yet non-approved, drug, medical strategy, treatment, or device is safe and effective for humans.

CRO Contract Research Organization is a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis.

Eurostars A funding instrument that supports innovative SMEs (Small and Medium-sized Enterprises), and project partners (large companies, universities, research organizations and other types of organizations) by funding international collaborative R&D and innovation projects.

Gene therapy A medical field which focuses on the genetic modification of cells to produce a therapeutic effect or the treatment of disease by repairing or reconstructing defective genetic material.

GMP Good Manufacturing Practice is a system for ensuring that pharmaceutical products are consistently produced and controlled according to quality standards. Permits for GMP are granted by the Food and Drug Administration in the country in question and the process is characterized by extremely rigid and high demands on quality in all respects.

In vitro A term used in biomedical science to describe a biological process made to occur in a laboratory vessel or other controlled experimental environment, for example cultivated cells, rather than within a living organism.

In vivo A term used in biomedical science to describe an experimental biological process, and observations thereof, made to occur within a living organism.

Lipodystrophy A rare disease characterized by altered fat distribution on the body. In the absence of normal body fat, various organs, primarily the liver, begin to accumulate fat, leading on to serious metabolic complications, including extreme insulin resistance, hypertriglyceridemia (elevated values of blood fat triglyceride) and liver steatosis (fatty liver).

Neuropathic pain Nerve pain can occur after diseases and injuries of the somatosensory nervous system and spread within a neuroanatomical innervation area. The term neuropathic pain is usually associated with pain that persists after healing of the initial insult.

Peptide Short chains of amino acids linked by peptide bonds. PICK1 A protein that interacts with C-kinase 1.

Plasmid Small, extra chromosomal DNA molecule within a cell that is physically separated from chromosomal DNA.

Preclinical study In vitro and in vivo studies carried out before the clinical development (see above) with the objective to make sure that the new therapy is safe and has the intended effect.

Proof-of-concept Documented evidence that a potential product or method has the intended effect.

Viral vector Viral vectors are tools that are used to deliver genetic material to cells. Examples of viral vectors are lentivirus, adeno-associated virus (AAV), retrovirus and adenovirus. AAV vectors are non-hazardous viruses that can infect human cells without causing disease and can be used to deliver genetic material into human cells.

CombiGene

CombiGene's vision is to provide patients affected by severe diseases with the prospect of a better life through gene therapy and other forms of advanced treatments. Our business has three focus areas: sourcing of new and promising assets, development of these assets to proof of concept under our management and expertise, and outlicensing of the assets to a strategic partner for continued development and commercialization. Revenue is achieved through milestone payments and royalties. The company is public and listed on the Swedish marketplace Nasdaq First North Growth Market. The company's Certified Advisor is FNCA Sweden AB.

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